

WOOD-RIDGE BOROUGH SCHOOL DISTRICT

**Wood-Ridge Board of Education
Wood-Ridge, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

Wood-Ridge Borough School District

Wood-Ridge, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Wood-Ridge Board of Education

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INTRODUCTORY SECTION

WOOD-RIDGE PUBLIC SCHOOLS
540 WINDSOR ROAD
WOOD-RIDGE, NEW JERSEY, 07075

Nicholas Cipriano,
Superintendent of Schools

201-933-6777
ncipriano@wood-ridgeschools.org

November 19, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Wood-Ridge Borough School District (the "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws, and regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Wood-Ridge Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Wood-Ridge Borough School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12 for the students residing in Wood-Ridge Borough. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 1,200 students, which shows a slight increase over the previous year's enrollment.

The Honorable President and Members of
the Board of Education
Wood-Ridge Borough School District
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2) ECONOMIC CONDITION AND OUTLOOK:

The Wood-Ridge area is experiencing normal growth and expansion consistent with surrounding areas. The student population, however, stayed relatively flat from the previous year. The Bergen County unemployment rate for 2014 is reported at 5.3%.

3) MAJOR INITIATIVES:

- Field trips at each grade level to supplement instruction and curriculum
- Bergen County Prosecutor's Office has sponsored a "Choose Not to Use" poster contest where students create a poster on the harmful effects of drugs and alcohol.
- "100th Day of the Year"-- 45 students participated in doing a "good deed" for a senior citizen.
- Cultural Enrichment Activities to support and supplement instruction and curriculum, i.e, "Welcome to New Jersey," grade 4; "Pick a Packet," all grades; HIB programs, all grades, K-9 unit of the Wood-Ridge
- Police Department presentation
- HUMC -Head Trauma and Safety presentation
- Drama Club performance of the "Jungle Book"- 38 cast members
- Grade 6 Promotion Ceremony- June 2015
- The lease of 600 Chrome Books
- HSPA and PARCC Enrichment classes
- Student recognized as New Jersey Enthusiastic Reader
- Students participated in the Paper Mill Playhouse Adopt-A-School Project
- 7th Grade students participated in overnight trip to Stokes Forest
- 8th Grade students participated in overnight trip to Washington, D.C.
- NJ Performing Arts Center In School Residency Program
- Glee Club students performed at Carnegie Hall
- High Notes Competition at Lake Compounce
- Bergen Teen Arts Festival at Bergen Community College
- Student recognized as a 2014-2015 National Hispanic Recognition Program Award
- Italian Honor Society initiated

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

The Honorable President and Members of
the Board of Education
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5) BUDGETARY CONTROLS:

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

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

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

The Honorable President and Members of
the Board of Education
Wood-Ridge Borough School District
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9) OTHER INFORMATION (Cont'd):

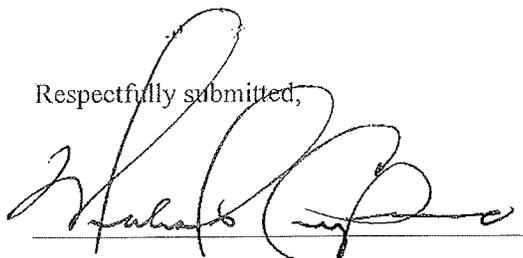
Awards – The school district is extremely proud of its students, who achieve levels of distinction in academics, athletics, and service. The following are areas in which Wood-Ridge students excelled during the 2014 – 2015 school year.

- For the third consecutive year, one student received a distinguishing award from Teterboro Airport for an intention to pursue aviation/aerospace career. Receipt of such reinforces our school's efforts to further STEM course electives.
- The W-RHS Robotics Team competed in the state recognized Panasonic Creative Design Challenge. This team, consisting of three students, successfully competed through preliminary rounds and qualified for the 2013 Finals Challenge.
- The 1st NJASK PREP PROGRAM was implemented. The 8th grade NJ ASK Proficient scores increased by nearly 22%.

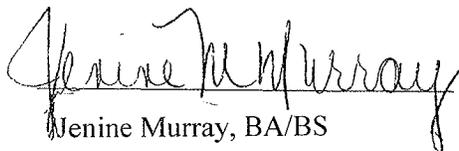
10) ACKNOWLEDGMENTS:

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

Respectfully submitted,

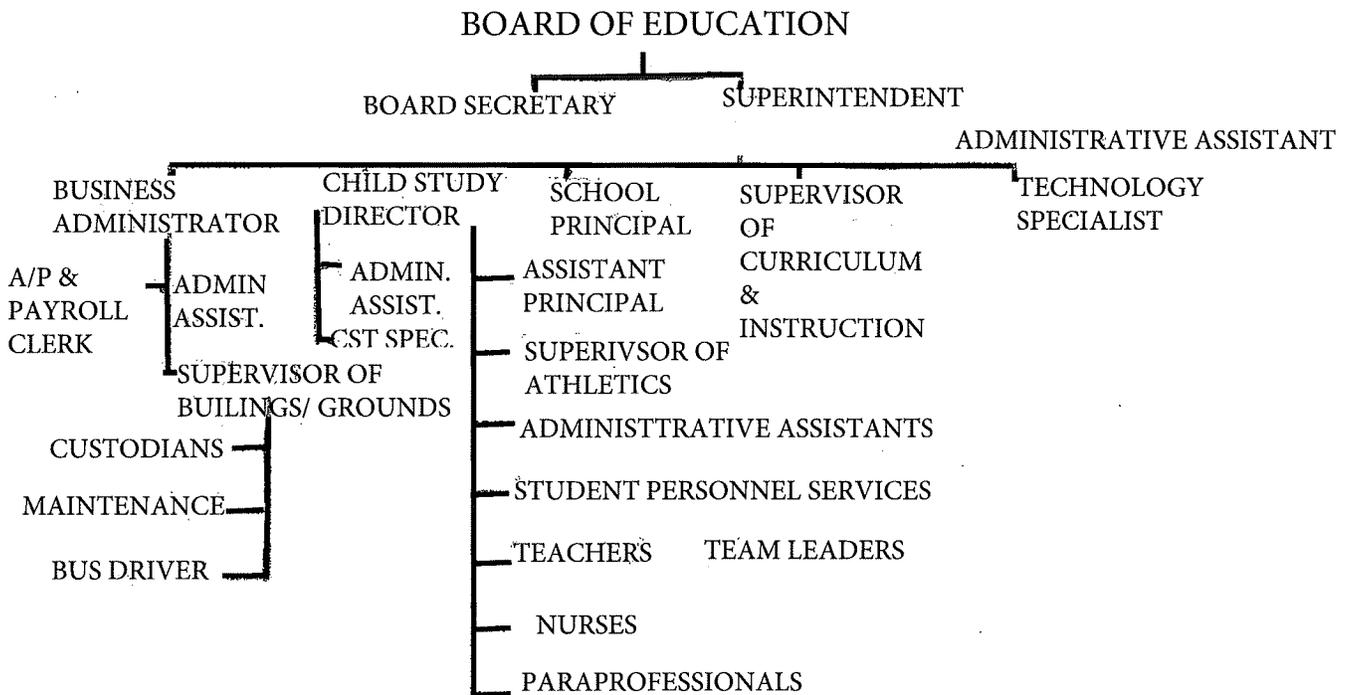


Nicholas Cipriano, Superintendent



Jenine Murray, BA/BS

Wood-Ridge School District Organizational Chart



**WOOD-RIDGE BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Albert C. Nieves II	President	2016
Robert Valenti	Vice President	2018
Joseph Biamonte, Jr.	Member	2017
Robert Talamini	Member	2016
Christopher Garvin	Member	2017
Sheila King	Moonachie Representative	

Other Officials

Joseph Luongo, Interim Superintendent through May 31, 2015

Dr. Sue DeNovile, Interim Superintendent from June 1, 2015 through June 30, 2015

Nicholas Cipriano, Superintendent from July 1, 2015

Thomas J. Perez, Business Administrator/Board Secretary through April 30, 2015

Mark Resnick, Interim Business Administrator/Board Secretary from May 1, 2015
through September 30, 2015

Jenine Murray, Business Administrator/Board Secretary from October 1, 2015

**WOOD-RIDGE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2015**

ARCHITECT

DiCara and Rubino Architects
30 Galesi Drive – West Wing
Wayne, NJ 07470

AUDIT FIRM

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856

ATTORNEY

Michael J. Gross
Kenney, Gross, Kovats and Parton
The Courts at Red Bank
130 Maple Avenue – Building 8
P.O. Box 8610
Red Bank, NJ 07701

OFFICIAL DEPOSITORY

Capital One Bank, NA
74 Park Avenue
Rutherford, NJ 07070

TD Bank
109 Boulevard
Hasbrouck Heights, NJ 07604

INSURANCE

Polaris / Galaxy LLC, Insurance Broker
777 Terrace Avenue
Hasbrouck Heights, NJ 07604

Brown & Brown
80 Lambert Lane Suite 140
Lambertville, NJ 08530

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Wood-Ridge Borough School District
 County of Bergen, 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 Wood-Ridge Borough School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable President and Members
of the Board of Education
Wood-Ridge Borough School District
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Wood-Ridge Borough School District, in the County of Bergen, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 16 to the basic financial statements.

Other Matters

The financials statements of the District as of June 30, 2014 were audited by other auditors whose report dated October 23, 2014 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Wood-Ridge Borough School District
Page 3

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 19, 2015
Mount Arlington, New Jersey

NISIVOCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

This discussion and analysis of the Wood-Ridge Borough School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the 2014/2015 school year are as follows:

- Overall revenue was \$22.30 million.
- Overall expenditures were \$22.43 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements present significant funds. The General Fund is by far the most significant fund.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

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

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Reporting the School District as a Whole

District Wide Statements

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

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

Statement of Net Position and the Statement of Activities

The two statements report the School District's net position and changes in the net position. This change is important because it tells the reader that, for the School District as a whole, whether its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

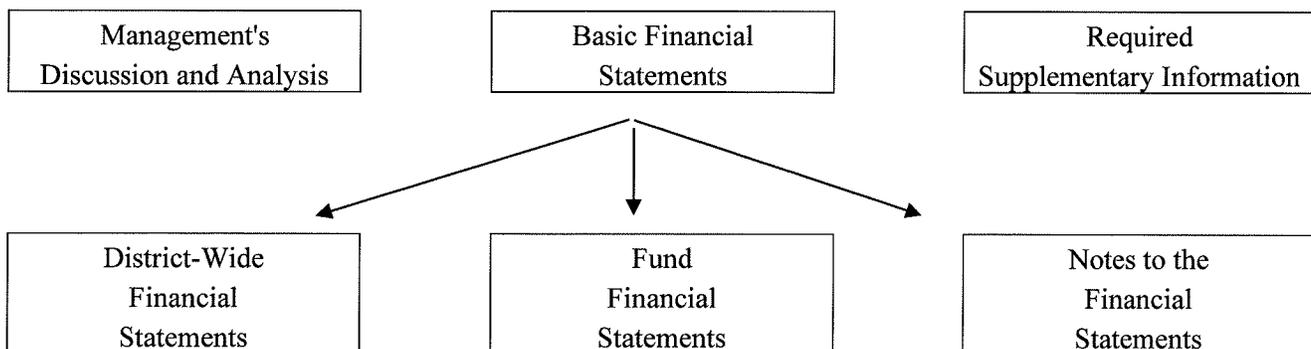
In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct types of activities:

- Governmental Activities – All programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The School Food Service Fund is reported as a business-type activity.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by certain required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of Wood-Ridge Borough School District's Financial Report



**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses, food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	Statement of Net Position Statement of activities	Balance sheet Statement of revenue, expenditures, and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Proprietary Fund

Services for which the District charges a fee for are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's enterprise fund (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information, such as cash flows.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

The Statement of Net Position provides a perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2015. The District's combined net position was \$4,283,125 on June 30, 2015, and \$4,412,192 on June 30, 2014, as restated. Net Investment in capital assets increased due to the increase in construction in progress due to the District's various capital projects along with acquisitions of district assets combined with the continued pay down of the school debt offset by depreciation expense. The decrease in restricted net position is attributable to the reduction in the capital reserve. The increase in unrestricted net position was primarily attributable to decreases in compensated absences, unamortized bond premium and accrued interest payable, as well as, increases to changes in assumptions – pensions and changes in proportions – pensions, offset by a decrease in the deferred amount on refunding, as well as, increase in net pension liability and investment gains – pensions.

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Figure A-3

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2014/2015	2013/2014*	2014/2015	2013/2014	2014/2015	2013/2014*	
Current and Other Assets	\$ 2,970,289	\$ 4,714,343	\$ 123,426	\$ 91,887	\$ 3,093,715	\$ 4,806,230	-35.63%
Capital Assets, Net	10,058,064	8,822,324	22,195	25,718	10,080,259	8,848,042	13.93%
Total Assets	13,028,353	13,536,667	145,621	117,605	13,173,974	13,654,272	-3.52%
Deferred Outflows of Resources	575,890	255,843			575,890	255,843	125.10%
Long-Term Debt Outstanding	8,481,286	8,660,221			8,481,286	8,660,221	-2.07%
Other Liabilities	651,697	771,528	102,555	66,174	754,252	837,702	-9.96%
Total Liabilities	9,132,983	9,431,749	102,555	66,174	9,235,538	9,497,923	-2.76%
Deferred Inflows of Resources	231,201				231,201		100.00%
Net Position							
Net Investment in Capital Assets	5,653,064	4,097,324	22,195	25,718	5,675,259	4,123,042	37.65%
Restricted	1,960,762	3,918,885			1,960,762	3,918,885	-49.97%
Unrestricted/(Deficit)	(3,373,767)	(3,655,448)	20,871	25,713	(3,352,896)	(3,629,735)	-7.63%
Total Net Position	\$ 4,240,059	\$ 4,360,761	\$ 43,066	\$ 51,431	\$ 4,283,125	\$ 4,412,192	-2.93%

* As restated

Changes in Net Position

The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,826,417		\$ 293,568	\$ 291,439	\$ 2,119,985	\$ 291,439	627.42%
Operating Grants & Contributions	4,175,286	320,050	128,131	102,987	4,303,417	423,037	917.27%
General Revenue:							
Property Taxes	15,567,980	15,286,337			15,567,980	15,286,337	1.84%
Federal and State Aid	66,645	2,215,210			66,645	2,215,210	-96.99%
Other	239,736	4,013,006			239,736	4,013,006	-94.03%
Total Revenue	21,876,064	21,834,603	421,699	394,426	22,297,763	22,229,029	0.31%
Expenses:							
Instruction	10,696,906	8,240,879			10,696,906	8,240,879	29.80%
Pupil and Instruction Services	5,920,275	5,499,486			5,920,275	5,499,486	7.65%
Administrative and Business	2,672,979	2,130,736			2,672,979	2,130,736	25.45%
Maintenance and Operations	1,531,313	1,666,628			1,531,313	1,666,628	-8.12%
Transportation	712,044	609,472			712,044	609,472	16.83%
Other	463,249	2,023,843	430,064	392,425	893,313	2,416,268	-63.03%
Total Expenses	21,996,766	20,171,044	430,064	392,425	22,426,830	20,563,469	9.06%
Increase/(Decrease) in Net Position	\$ (120,702)	\$ 1,663,559	\$ (8,365)	\$ 2,001	\$ (129,067)	\$ 1,665,560	-107.75%

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Revenue Sources. The District's total revenue for the 2014/2015 school year was \$22,297,763 (See Figure A-5). Property taxes and grants accounted for most of the District's revenue, with local taxes accounting for \$15,567,980 of the total, or 69.82 percent. Another 19.30 percent came from state and federal grants and contributions for specific programs and the remainder from unrestricted federal and state aid miscellaneous sources and charges for services. Charges for services consists of tuition and cafeteria charges.

**Figure A-5
Sources of Revenue for Fiscal Year 2015**

Sources of Income	Amount	Percentage
Grants and Contributions	\$ 4,303,417	19.30%
Property Taxes	15,567,980	69.82%
Federal and State Unrestricted Aid	66,645	0.30%
Charges for Services	2,119,985	9.51%
Other	239,736	1.07%
	<u>\$ 22,297,763</u>	<u>100.00%</u>

The total cost of all programs and services was \$22,426,830. The District's expenses are predominantly related to instruction, pupil services and transporting students (77.28%). (See Figure A-6). The District's support services, including plant operations and maintenance and administrative functions accounted for 18.75% of the total expenses. Other expenses include the operations of the food service enterprise fund, unallocated depreciation and interest on long-term debt.

**Figure A-6
Expenses for Fiscal Year 2015**

Expense Category	Amount	Percentage
Instruction	\$ 10,696,906	47.70%
Pupil and Instruction Services	5,920,275	26.40%
Administrative and Business	2,672,979	11.92%
Maintenance and Operations	1,531,313	6.83%
Transportation	712,044	3.18%
Other	893,313	3.97%
	<u>\$ 22,426,830</u>	<u>100.00%</u>

As discussed elsewhere in this commentary, the financial position of the District remains strong. Maintaining financial and programmatic stability in annual budgets has become increasingly difficult due to state aid not keeping pace with the district's enrollment increases. Careful management of expenses remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenditures carefully. Figure A-7 presents the cost of six major District activities; instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

**Figure A-7
Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2014/2015	2013/2014	2014/2015	2013/2014
Instruction	\$ 10,696,906	\$ 8,240,879	\$ 5,805,520	\$ 7,961,485
Pupil and Instruction Services	5,920,275	5,499,486	5,395,422	5,458,830
Administrative and Business	2,672,979	2,130,736	2,119,093	2,130,736
Maintenance and Operations	1,531,313	1,666,628	1,531,313	1,666,628
Transportation	712,044	609,472	680,466	609,472
Other	463,249	2,023,843	463,249	2,023,843
	<u>\$ 21,996,766</u>	<u>\$ 20,171,044</u>	<u>\$ 15,995,063</u>	<u>\$ 19,850,994</u>

- The cost of all governmental activities this year was \$21,996,766.
- The federal and state governments subsidized certain programs with grants and contributions.
- Most of the District's costs, however, were financed by District taxpayers and tuition.
- A portion of governmental activities was financed with state and federal aid for general and specific programs.

Business-Type Activities

Net position of the District's business-type activity decreased by \$8,365 (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenue by \$8,365 primarily as a result of the additional expenses.

Financial Analysis of the District's Funds

The District's financial position remained stable despite continuous changes in budgeting laws and the volatility of state aid both of which tend to change often and significantly without sufficient notice to plan for their impact on financial and programmatic plans. Despite these challenges, the District continues to adopt budgets under the state mandated CAP and under the District Adequacy Budget.

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget monthly. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

Capital Asset and Debt Administration

**Figure A-8
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	
Land Improvements	\$ 131,049	\$ 140,269			\$ 131,049	\$ 140,269	-6.57%
Construction in Progress	1,541,736				1,541,736		0.00%
Buildings and Building Improvements	8,227,831	8,465,259			8,227,831	8,465,259	-2.80%
Machinery and Equipment	157,448	216,796	\$ 22,195	\$ 25,718	179,643	242,514	-25.92%
Total Capital Assets (Net of Depreciation)	<u>\$10,058,064</u>	<u>\$ 8,822,324</u>	<u>\$ 22,195</u>	<u>\$ 25,718</u>	<u>\$10,080,259</u>	<u>\$ 8,848,042</u>	13.93%

During the 2014/2015 school year the District began work on the District's facilities related to the 2015 referendum, as well as, a partial roof replacement project at the High School.

Long-term Debt

At year-end, the District had \$4,405,000 in general obligation bonds as shown in Figure A-9.

**Figure A-9
Outstanding Debt**

	Total School District		Percentage Change
	2014/2015	2013/2014*	
General Obligation Bonds (Financed with Property Taxes)	\$ 4,405,000	\$ 4,725,000	-6.77%
Net Pension Liability	3,879,562	3,695,473	4.98%
Other Long Term Debt	196,724	239,748	-17.95%
	<u>\$ 8,481,286</u>	<u>\$ 8,660,221</u>	-2.07%

* As restated

- The District continued to pay down its debt, retiring \$320,000 of serial bonds.
- The District's compensated absences decreased \$43,024.
- The District's net pension liability increased \$184,089.

**WOOD-RIDGE BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

For the Future

Future finances will be challenged even further with the continued effect of legislation that impacts the financial operation of the School District. S1701, adopted by the State of New Jersey on June 17, 2004, forced the District to cut its allowable undesignated general fund balance in half (from 6% to 3%), which was reduced to 2% at the end of the 2004/2005 school year. This leaves the District with very little protection in the event of costly emergencies. Most recently the new 2% property tax CAP has been signed into law without any vehicle to align existing contracts with local bargaining units to the new CAP. In addition, current budget laws do not provide relief to the 2% budget CAP for capital projects. As a result the District has adopted a strategy to fund facility improvements on an ongoing annual basis to achieve a goal of keeping the buildings safe, systems functioning and operating efficiently and appearances presentable so that students are not distracted from learning. Despite this strategy, it will become increasingly difficult in the future to fund major construction projects from annual budgets aimed at providing additional space for students should the increase in enrollment continue.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator at the Wood-Ridge Borough Board of Education, 540 Windsor Road, Wood-Ridge, NJ 07075.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,612,286	\$ 115,439	\$ 1,727,725
Receivables from Federal Government	17,416	5,794	23,210
Receivables from State Government	231,818	205	232,023
Receivables from Other Governments	819,285		819,285
Other Receivables	1,250		1,250
Inventory		1,988	1,988
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	188,234		188,234
Emergency Reserve Account - Cash and Cash Equivalents	100,000		100,000
Capital Assets, Net			
Construction in Progress	1,541,736		1,541,736
Depreciable Land Improvements, Buildings and Building Improvements & Machinery and Equipment	8,516,328	22,195	8,538,523
Total Assets	<u>13,028,353</u>	<u>145,621</u>	<u>13,173,974</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on the Refunding	230,259		230,259
Changes in Assumptions - Pensions	121,994		121,994
Changes in Proportions - Pensions	223,637		223,637
Total Deferred Outflows of Resources	<u>575,890</u>		<u>575,890</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable - Vendors	323,753	102,555	426,308
Accrued Interest Payable	60,569		60,569
Unamortized Bond Premium	246,694		246,694
Unearned Revenue	20,681		20,681
Noncurrent Liabilities:			
Due Within One Year	330,000		330,000
Due Beyond one Year	8,151,286		8,151,286
Total Liabilities	<u>9,132,983</u>	<u>102,555</u>	<u>9,235,538</u>
DEFERRED INFLOW OF RESOURCES			
Investment Gains - Pensions	231,201		231,201
Total Deferred Inflow of Resources	<u>231,201</u>		<u>231,201</u>
NET POSITION			
Net Investment in Capital Assets	5,653,064	22,195	5,675,259
Restricted for:			
Capital Projects	1,640,044		1,640,044
Debt Service	1		1
Other Purposes	320,717		320,717
Unrestricted/(Deficit)	(3,373,767)	20,871	(3,352,896)
Total Net Position	<u>\$ 4,240,059</u>	<u>\$ 43,066</u>	<u>\$ 4,283,125</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Regular Instruction	\$ 7,816,874	\$ 1,826,417	\$ 1,500,680		\$ (4,489,777)		\$ (4,489,777)
Special Education Instruction	2,030,456		1,370,417		(660,039)		(660,039)
Other Special Instruction	328,771		82,959		(245,812)		(245,812)
School Sponsored Instruction	520,805		110,913		(409,892)		(409,892)
Support services:							
Tuition	3,239,564		255,136		(2,984,428)		(2,984,428)
Student & Instruction Related Services	2,680,711		269,717		(2,410,994)		(2,410,994)
General Administrative Services	864,169		245,748		(618,421)		(618,421)
School Administrative Services	1,211,279		308,138		(903,141)		(903,141)
Central Services	430,455				(430,455)		(430,455)
Administration Information Technology	167,076				(167,076)		(167,076)
Plant Operations and Maintenance	1,531,313				(1,531,313)		(1,531,313)
Pupil Transportation	712,044		31,578		(680,466)		(680,466)
Unallocated Depreciation	246,648				(246,648)		(246,648)
Interest on Long-Term Debt	130,840				(130,840)		(130,840)
Capital Outlay	29,575				(29,575)		(29,575)
Transfer to Charter School	56,186				(56,186)		(56,186)
Total Governmental Activities	21,996,766	1,826,417	4,175,286		(15,995,063)		(15,995,063)
Business-Type Activities:							
Food Service	430,064	293,568	128,131			\$ (8,365)	(8,365)
Total Business-Type Activities	430,064	293,568	128,131			(8,365)	(8,365)
Total Primary Government	\$ 22,426,830	\$ 2,119,985	\$ 4,303,417	\$ -0-	(15,995,063)	(8,365)	(16,003,428)

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 15,444,610		\$ 15,444,610
Property Taxes Levied for Debt Service	123,370		123,370
Federal and State Aid not Restricted	66,645		66,645
Interest and Miscellaneous Income	239,736		239,736
	15,874,361		15,874,361
Total General Revenues			
Change in Net Position	(120,702)	\$ (8,365)	(129,067)
Net Position - Beginning - As Restated	4,360,761	51,431	4,412,192
Net Position - Ending	\$ 4,240,059	\$ 43,066	\$ 4,283,125

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE IN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 390,239		\$ 1,222,047		\$ 1,612,286
Interfund Receivable	10,916				10,916
Receivables from Federal Government		\$ 17,416			17,416
Receivables from State Government	231,818				231,818
Receivables from Other Governments	814,144			\$ 5,141	819,285
Other Receivables	1,250				1,250
Restricted Cash and Cash Equivalents	288,234				288,234
Total Assets	\$ 1,736,601	\$ 17,416	\$ 1,222,047	\$ 5,141	\$ 2,981,205
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable - Vendors	\$ 305,392	\$ 2,259	\$ 16,102		\$ 323,753
Interfund Payable		5,776		\$ 5,140	10,916
Unearned Revenue	11,300	9,381			20,681
Total Liabilities	316,692	17,416	16,102	5,140	355,350
Fund Balances:					
Restricted:					
Capital Reserve Account	188,234				188,234
Emergency Reserve Account	100,000				100,000
Excess Surplus	102,140				102,140
Excess Surplus - Subsequent Year's Expenditures	118,577				118,577
Capital Projects Fund			1,451,810		1,451,810
Debt Service Fund				1	1
Assigned:					
Year-End Encumbrances	495,463				495,463
Subsequent Year's Expenditures - SEMI/ARRA	7,468				7,468
Unassigned:					
General Fund	408,027				408,027
Capital Projects Fund/(Deficit)			(245,865)		(245,865)
Total Fund Balances	1,419,909		1,205,945	1	2,625,855
Total Liabilities and Fund Balances	\$ 1,736,601	\$ 17,416	\$ 1,222,047	\$ 5,141	\$ 2,981,205
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:					
Capital assets used in governmental activities are not financial resources and therefore not reported in the Funds.					
The cost of the assets is \$15,448,284 and the accumulated depreciation is \$5,390,220.					
					\$ 10,058,064
Long-Term Liabilities, including bonds payable, are not due and payable in the current the current period and therefore are not reported as liabilities in the funds.					
					(4,601,724)
Deferred bond interest costs are not reported as expenditures in the governmental funds in the year of the expenditures.					
					230,259
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					
					(60,569)
Bond issuance premiums are reported as revenue in the governmental funds in the year the bonds are sold.					
					(246,694)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.					
					(3,879,562)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:					
Changes in Assumptions - Pensions					
					121,994
Investment Gains - Pensions					
					(231,201)
Changes in Proportions - Pensions					
					223,637
Net Position of Governmental Activities					\$ 4,240,059

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE IN INTEGRAL PART OF THIS STATEMENT

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 15,444,610			\$ 123,370	\$ 15,567,980
Tuition From Other LEAs Within the State	1,487,495				1,487,495
Tuition from Individuals	338,922				338,922
Rents and Royalties	156,060				156,060
Interest on Capital Reserve	398				398
Miscellaneous	83,278	\$ 7,704			90,982
Total - Local Sources	17,510,763	7,704		123,370	17,641,837
State Sources	2,365,307				2,365,307
Federal Sources	7,468	334,157			341,625
Total Revenues	19,883,538	341,861		123,370	20,348,769
EXPENDITURES					
Current:					
Regular Instruction	5,358,829	86,725			5,445,554
Special Education Instruction	1,177,945				1,177,945
Other Special Instruction	189,600				189,600
School Sponsored Instruction	334,738				334,738
Support Services and Undistributed Costs:					
Tuition	2,984,428	255,136			3,239,564
Student & Instruction Related Services	2,070,393				2,070,393
General Administrative Services	501,935				501,935
School Administrative Services	732,130				732,130
Central Services	318,541				318,541
Administration Information Technology	134,165				134,165
Plant Operations and Maintenance	1,518,622				1,518,622

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES					
Pupil Transportation	\$ 452,959				\$ 452,959
Unallocated Benefits	3,761,171				3,761,171
Debt Service:					
Principal				\$ 320,000	320,000
Interest and Other Charges				138,350	138,350
Capital Outlay	72,497		\$ 1,541,736		1,614,233
Transfer of Funds to Charter School	56,186				56,186
Total Expenditures	<u>19,664,139</u>	<u>\$ 341,861</u>	<u>1,541,736</u>	<u>458,350</u>	<u>22,006,086</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>219,399</u>		<u>(1,541,736)</u>	<u>(334,980)</u>	<u>(1,657,317)</u>
OTHER FINANCING SOURCES/(USES)					
Transfers In			2,500,000	320,000	2,820,000
Transfers Out	(2,500,000)		(320,000)		(2,820,000)
Total Other Financing Sources/(Uses)	<u>(2,500,000)</u>		<u>2,180,000</u>	<u>320,000</u>	
Net Change in Fund Balances	(2,280,601)		638,264	(14,980)	(1,657,317)
Fund Balance - July 1	<u>3,700,510</u>		<u>567,681</u>	<u>14,981</u>	<u>4,283,172</u>
Fund Balance - June 30	<u>\$ 1,419,909</u>	<u>\$ -0-</u>	<u>\$ 1,205,945</u>	<u>\$ 1</u>	<u>\$ 2,625,855</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from Exhibit B-2) \$ (1,657,317)

Amounts reported for governmental activities in the statement of activities (Exhibit 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 differ from depreciation in the period.

Depreciation Expense	\$ (348,918)	
Capital Outlays	<u>1,584,658</u>	1,235,740

Repayment of debt service principal is 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. 320,000

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. 5,683

The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+) 27,411

The governmental funds report the effect of deferred interest costs relative to advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-) (25,584)

In the statement of activities, certain operating expenses, e.g., compensated absences 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 43,024

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Changes in Net Pension Liability	\$ (184,089)	
Deferred Outflows:		
Changes in Assumptions	121,994	
Changes in Proportions	223,637	
Deferred Inflows:		
Net Difference between projected and actual investment earnings on Pension Plan Investments	<u>(231,201)</u>	
		<u>\$ (69,659)</u>
Change in net position of governmental activities (Exhibit A-2)		<u><u>\$ (120,702)</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 115,439
Accounts Receivable:	
Federal Government	5,794
State Government	205
Inventories	<u>1,988</u>
Total Current Assets	<u>123,426</u>
Non-Current Assets:	
Capital Assets:	
Machinery and Equipment	79,042
Less: Accumulated Depreciation	<u>(56,847)</u>
Total Non-Current Assets	<u>22,195</u>
Total Assets	<u>145,621</u>
LIABILITIES:	
Accounts Payable - Vendors	<u>102,555</u>
Total Liabilities	<u>102,555</u>
NET POSITION:	
Net Investment in Capital Assets	22,195
Unrestricted	<u>20,871</u>
Total Net Position	<u><u>\$ 43,066</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Daily Sales	\$ 281,800
Special Events	11,768
Total Operating Revenue	<u>293,568</u>
Operating Expenses:	
Cost of Sales	209,330
Management Fee	22,594
Salaries, Benefits & Payroll Taxes	161,556
Other	33,061
Depreciation Expense	3,523
Total Operating Expenses	<u>430,064</u>
Operating Loss	<u>(136,496)</u>
Non-Operating Revenue:	
Federal Sources:	
School Breakfast Program	6,336
National School Lunch Program	93,502
Food Distribution Program	24,392
State Sources:	
School Lunch Program	3,901
Total Non-Operating Revenue	<u>128,131</u>
Change in Net Position	(8,365)
Net Position - Beginning of Year	<u>51,431</u>
Net Position - End of Year	<u><u>\$ 43,066</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 293,568
Payments to Employees	(161,556)
Payments to Suppliers	(203,544)
Net Cash Used for Operating Activities	<u>(71,532)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from State Reimbursements	4,241
Cash Received from Federal Reimbursements	108,205
Net Cash Provided by Noncapital Financing Activities	<u>112,446</u>
Net Increase in Cash and Cash Equivalents	40,914
Cash and Cash Equivalents, July 1	<u>74,525</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 115,439</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (136,496)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	3,523
Federal Food Distribution Program	24,392
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	668
Increase/(Decrease) in Accounts Payable	36,381
Net Cash Used for Operating Activities	<u><u>\$ (71,532)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The District received USDA donated commodities valued at \$24,392 and used \$24,392 of those commodities during the fiscal year.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2015

	Private- Purpose Scholarship Trust	Flexible Spending Trust	Unemployment Compensation Trust	Agency
ASSETS:				
Cash and Cash Equivalents	\$ 15,874	\$ 1,808	\$ 76,703	\$ 120,012
Total Assets	15,874	1,808	76,703	120,012
LIABILITIES:				
Due to Student Groups				111,444
Payroll Deductions and Withholdings				4,592
Net Salaries and Wages				3,976
Total Liabilities				120,012
NET POSITION:				
Held in Trust for:				
Flexible Spending		1,808		
Unemployment Claims			76,703	
Restricted for Scholarships	15,874			
Total Net Position	\$ 15,874	\$ -0-	\$ 76,703	\$ -0-

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private- Purpose Scholarship Trust	Flexible Spending Trust	Unemployment Compensation Trust
Additions:			
Contributions:			
Plan Members		\$ 13,583	\$ 30,113
Total Contributions		13,583	30,113
Investment Earnings:			
Interest	\$ 16		
Net Investment Earnings	16		
Total Additions	16	13,583	30,113
Deductions:			
Scholarship Payments	1,500		
Flexible Spending Claims		12,374	
Unemployment Benefit Claims			34,221
Total Deductions	1,500	12,374	34,221
Change in Net Position	(1,484)	1,209	(4,108)
Net Position - Beginning of the Year	17,358	599	80,811
Net Position - End of the Year	\$ 15,874	\$ 1,808	\$ 76,703

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Wood-Ridge Borough School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Wood-Ridge 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 six members elected to three year terms, with one member of the board being a representative of the Moonachie School District. 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. 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 significances) 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 an elementary school, a middle school, and a senior high school serving Wood-Ridge and Moonachie. 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.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenue identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

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 - *governmental, 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 District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported 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 NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activity Fund, Payroll Agency Fund, Flexible Spending Trust, Private-Purpose Scholarship Trust and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. 6:20-2A.2(m)1. Budget amendments/transfers must be made by resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The Special Revenue Fund, General Fund and Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of federal and state aid grants. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District's General Fund cannot recognize these payments on the GAAP financial statements. The Capital Projects Fund recognizes the full amount of the state grants in the year awarded on a budgetary basis. On a GAAP basis state grant revenue is recognized based on when reimbursements are submitted on grant expenditures.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"	\$ 19,896,073	\$ 348,178
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(6,317)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	28,042	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(40,577)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,883,538</u>	<u>\$ 341,861</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 19,664,139	\$ 348,178
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, not in the Year the Supplies are Received for Financial Reporting Purposes.		(6,317)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 19,664,139</u>	<u>\$ 341,861</u>
	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per F-1)	\$ 7,321,960	\$ 6,027,905
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recognized on the GAAP Basis until Expended and Submitted for reimbursement.	(4,821,960)	(4,821,960)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per B-2)	<u>\$ 2,500,000</u>	<u>\$ 1,205,945</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

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.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	20 to 50 years
Site Improvements	10 to 20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization in the fund financial statements. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2015.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components - the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the Special Revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

P. Fund Balance Appropriated:

General Fund: Of the \$1,419,909 General Fund fund balance at June 30, 2015, \$495,463 is assigned for year-end encumbrances; \$100,000 is restricted in the emergency reserve account; \$188,234 is restricted in the capital reserve account; a total of \$220,717 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701); prior year excess surplus in the amount of \$118,577 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016; current year excess surplus in the amount of \$102,140 will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017; \$7,468 is assigned as SEMI/ARRA and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; and \$408,027 is unassigned which is \$40,577, less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments which are not recognized until the fiscal year ending June 30, 2016.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated (Cont'd):

Capital Projects Fund: Of the \$1,205,945 fund balance in the Capital Projects Fund at June 30, 2015, \$1,451,810 is restricted and \$(245,865) is unassigned which excludes \$4,821,960 of SDA grants receivable not recognized on a GAAP Basis.

Debt Service Fund: The District has \$1 of restricted fund balance in the Debt Service Fund at June 30, 2015 of which \$1 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016.

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 Restricted 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 restrict General 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 year's budget. The District has excess surplus at June 30, 2015 as outlined on the previous page.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$40,577 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit in Fund Balance/Net Position

The District has a deficit in fund balance of \$245,865 in the Capital Projects Fund as a result of the \$4,821,960 of SDA Grants receivable as of June 30, 2015, as reported in the fund financial statements (modified accrual basis).

Additionally, the District has a deficit in unrestricted net position of \$3,373,767 in governmental activities which is due to accrued interest payable of \$60,569, \$196,724 of compensated absences payable, an unamortized bond premium of \$246,694, investment gains in pensions of \$231,201 and a net pension liability of \$3,879,562; net of \$7,468 of fund balance assigned for subsequent year's expenditures, \$495,463 assigned for encumbrances, \$230,259 of the deferred amount on the refunding, \$121,994 of changes in pension assumptions, \$223,637 of changes of changes in pension proportions, and \$162,162 of unassigned fund balance.

These deficits do not mean that the District is facing financial difficulties and are a permitted practice by generally accepted accounting principles.

R. Net Position:

Net positions is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position (Cont'd):

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows of resources at June 30, 2015 for the deferred amount of debt related to the District refunding bonds issued April 30, 2013, changes in assumptions in pensions and changes in proportions in pensions

The district had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, an emergency reserve, capital projects fund and debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the capital projects fund for year-end encumbrances at June 30, 2015 on the budgetary basis.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments (Cont'd):

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2015.

T. Revenue – Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the 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 fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the Investment Section of this note.

Deposits:

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

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

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

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

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	Cash and	<u>Restricted Cash and Cash Equivalents</u>		<u>Total</u>
	Cash Equivalents	<u>Capital Reserve</u>	<u>Maintenance Reserve</u>	
Checking and Savings Accounts	<u>\$ 1,942,122</u>	<u>\$ 188,234</u>	<u>\$ 100,000</u>	<u>\$ 2,230,356</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$2,230,356 and the bank balance was \$2,746,828. The District did not hold any investments during the fiscal year ended June 30, 2015.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress		\$ 1,541,736		1,541,736
Total Capital Assets not Being Depreciated		<u>1,541,736</u>		<u>1,541,736</u>
Capital Assets Being Depreciated:				
Land Improvements	\$ 294,009			\$ 294,009
Buildings and Building Improvements	12,460,175			12,460,175
Machinery and Equipment	1,109,442	42,922		1,152,364
Total Capital Assets Being Depreciated	<u>13,863,626</u>	<u>42,922</u>		<u>13,906,548</u>
Governmental Activities Capital Assets	<u>13,863,626</u>	<u>1,584,658</u>		<u>15,448,284</u>
Less Accumulated Depreciation for:				
Land Improvements	(153,740)	(9,220)		(162,960)
Buildings and Building Improvements	(3,994,916)	(237,428)		(4,232,344)
Machinery and Equipment	(892,646)	(102,270)		(994,916)
Total Accumulated Depreciation	<u>(5,041,302)</u>	<u>(348,918)</u>		<u>(5,390,220)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,822,324</u>	<u>\$ 1,235,740</u>	<u>\$ -0-</u>	<u>\$ 10,058,064</u>
Proprietary Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 79,042			\$ 79,042
Less Accumulated Depreciation	<u>(53,324)</u>	<u>(3,523)</u>		<u>(56,847)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 25,718</u>	<u>\$ (3,523)</u>	<u>\$ -0-</u>	<u>\$ 22,195</u>
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction			\$ 44,195	
General Administration			5,033	
School Administration			35,413	
Student & Instruction Related Services			15,291	
Maintenance / Custodial			2,338	
Unallocated			246,648	
			<u>\$ 348,918</u>	

The District had active construction projects totaling \$14,768,813 as of June 30, 2015. These projects include 2014 referendum projects. Projects being completed at Catherine A. Doyle Elementary School include replacement of exterior glazing system and windows, installation of new HVAC system, replacement of boiler, replacement of exterior doors, and a partial roof replacement. Projects being completed at Wood-Ridge Junior-Senior High School include a new HVAC system, replacement of exterior glazing system and windows, renovation of science labs, replacement of exterior doors, replacement of gymnasium divider, partial roof replacement. At year end, the District had \$632,537 in outstanding construction encumbrances.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Wood-Ridge Borough School District 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). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the 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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance at June 30, 2014	\$ 2,538,108
Interest Earnings	126
Transferred by Board Resolution - June 17, 2015	150,000
Transfer to Capital Projects Fund by Board Resolution	<u>(2,500,000)</u>
Ending Balance at June 30, 2015	<u>\$ 188,234</u>

The balance in the capital reserve at June 30, 2015 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District did not make any transfers to Capital Outlay accounts other than for equipment which do not require approval of the County Superintendent.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2014*	Issued/ Accrued	Retired	Balance June 30, 2015
Serial Bonds Payable	\$ 4,725,000		\$ 320,000	\$ 4,405,000
Net Pension Liability	3,695,473	\$ 184,089		3,879,562
Compensated Absences Payable	239,748	10,202	53,226	<u>196,724</u>
	<u>\$ 8,660,221</u>	<u>\$ 194,291</u>	<u>\$ 373,226</u>	<u>\$ 8,481,286</u>

*As restated

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

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 and will be liquidated through the Debt Service Fund.

On January 31, 2013, the District issued \$4,450,000 in School Refunding Bonds with interest rates ranging from 1.5% to 3.0% to refund \$4,425,000 of the \$5,010,000 school bonds dated July 15, 2005 with an interest rate of 4%. The refunding bonds will mature on July 15, 2013 through July 15, 2025 and constitute a current refunding. The net proceeds from the issuance of the school refunding bonds were used to purchase U.S. government securities and those securities were deposited with an escrow agent who will pay the debt service requirements of the refunded bonds on July 15, 2014 at a redemption price equal to 100% of par.

The District had bonds outstanding as of June 30, 2015 as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
7/15/2025	2.00-3.00%	<u>\$ 4,405,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 330,000	\$ 127,200	\$ 457,200
2017	345,000	117,075	462,075
2018	360,000	106,500	466,500
2019	375,000	95,475	470,475
2020	390,000	84,000	474,000
2021-2025	2,145,000	234,075	2,379,075
2026	460,000	6,900	466,900
	<u>\$ 4,405,000</u>	<u>\$ 771,225</u>	<u>\$ 5,176,225</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had bonds authorized but not issued in the amount of \$7,446,853 with respect to the School Improvement Project approved by the voters on September 30, 2014.

C. Capital Leases Payable:

As of June 30, 2015, the Board had no capital leases payable.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. There is no current portion of compensated absences liability at June 30, 2015. Thus, the entire compensated absence liability is recorded as a liability beyond one year. Compensated absences will be liquidated by the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$3,879,562. See Note 8 for further information on the PERS.

NOTE 8. OPERATING LEASES

The District has commitments to lease copiers, Chromebooks, and mobile radios which expire April 2020. Total operating lease payments made during the year ended June 30, 2015 were \$99,332. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 121,083
2017	121,083
2018	112,414
2019	30,078
2020	25,728
Total Future Minimum Lease Payments	<u>\$ 410,386</u>

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to 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 members 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 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$170,822 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS(Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

At June 30, 2015, the District reported a liability of \$3,879,562 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.021%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$242,573. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 121,994	
Changes in Proportion	223,637	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 231,201
	<u>\$ 345,631</u>	<u>\$ 231,201</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2015	\$ (35,375)
2016	(35,375)
2017	(35,375)
2018	(35,375)
2019	22,425
Thereafter	9,868
	<u>\$ (109,207)</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

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

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the table below:

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1%	Current	1%
	Decrease (4.39%)	Discount Rate (5.39%)	Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 4,880,621	\$ 3,879,562	\$ 3,038,927

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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 always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$349,399 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,876,694.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$34,876,694. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The 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 members, actuarially determined. At June 30, 2014, the District's proportion was 0.065%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>34,876,694</u>
Total	<u>\$ 34,876,694</u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$1,876,694 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	<u>761,551,612</u>
	<u>\$ 543,418,268</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the table on the following page:

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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 Chapter 103, 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.

For DCRP, the District recognized pension expense of \$9,475 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$12,520 for the fiscal year ended June 30, 2015.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as at June 30, 2015:

	Interfund Receivable	Interfund Payable
General Fund	\$ 10,916	
Special Revenue Fund		\$ 5,776
Debt Service Fund		5,140
	\$ 10,916	\$ 10,916

The interfund between General Fund and Special Revenue Fund of \$5,776 is due to a deficit in cash in the Special Revenue Fund due to the timing between expenditures and reimbursements from the State of New Jersey. The interfund between General Fund and Debt Service Fund of \$5,140 is due to a deficit in cash in the Debt Service fund due to the deferral of the debt service tax levy.

NOTE 11. POST-RETIREMENT BENEFITS

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

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

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$554,672, \$452,628, and \$483,731 for 2015, 2014, and 2013, respectively.

NOTE 12. RISK MANAGEMENT

Property, Liability and Health Benefits

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health benefit coverage through Horizon Blue Cross/Blue Shield.

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.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

The District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides workers' compensation for the District. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected, summarized financial information for the Fund as of June 30, 2014 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 33,508,569
Net Position	\$ 5,114,269
Total Revenue	\$ 34,091,773
Total Expenditures	\$ 37,253,827
Change in Net Position	\$ (3,162,054)
Member Dividends	\$ - 0 -

Financial statements for the Fund are available at the Fund's Executive Director's Office:

School Alliance Insurance Fund
51 Everett Drive
West Windsor, NJ 08550
Phone: (609) 275-1155

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.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of District contributions, employee contributions, interest earnings, 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:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 44,849	\$ 13,788	\$ 93,426	\$ 76,367
2013-2014	48,125	26,528	70,209	80,811
2014-2015		30,113	34,221	76,703

NOTE 13. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic
Faculty Services
Equitable Equi-Vest

NOTE 14. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

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

Beginning Balance at June 30, 2014	\$ 100,000
Ending Balance at June 30, 2015	\$ 100,000

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to 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 periodically involved in claims and lawsuits arising from operations. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 495,463	\$ 6,317	\$ 632,537	\$ 1,134,317

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$632,537 of year-end encumbrances in the Capital Projects Fund is included in the unassigned and restricted fund balance of the Capital Projects Fund on a GAAP Basis.

NOTE 16. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to correct the amortization of the Deferred Outflow of Resources for the deferred amount on refunding. In accordance with GASB Statement No. 65, the deferred amount on refunding should be amortized over the life of the bonds. Additionally, the District corrected the unamortized bond premium to be in accordance with GASB Statement No. 65. The unamortized bond premium is a liability and not a deferred inflow of resources.

The District also made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Gonermental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No.71, *Pension Transition for Contributions Made Subsequent to Measurement Date - an amendment of GASB Statement No. 68*

REQUIRED SUPPLEMENTARY INFORMATION

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0193358924%	0.0207211291%
District's proportionate share of the net pension liability	\$ 3,695,473	\$ 3,879,562
District's covered employee payroll	\$ 1,398,296	\$ 1,514,880
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.28%	256.10%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 145,692	\$ 170,822
Contributions in relation to the contractually required contribution	<u>(145,692)</u>	<u>(170,822)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 1,398,296	\$ 1,514,880
Contributions as a percentage of covered employee payroll	10.42%	11.28%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.0662064932%	0.0625503780%
State's proportionate share of the net pension liability attributable to the District	\$ 33,460,241	\$ 34,876,694
District's covered employee payroll	\$ 6,515,653	\$ 6,506,806
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	513.54%	536.00%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 15,444,610		\$ 15,444,610	\$ 15,444,610	
Tuition From Other LEAs Within the State	1,370,260		1,370,260	1,487,495	\$ 117,235
Tuition from Individuals	304,800		304,800	338,922	34,122
Rents and Royalties	166,000		166,000	156,060	(9,940)
Interest on Capital Reserve				398	398
Miscellaneous	21,000		21,000	83,278	62,278
Total - Local Sources	<u>17,306,670</u>		<u>17,306,670</u>	<u>17,510,763</u>	<u>204,093</u>
State Sources:					
Equalization Aid	42,210		42,210	42,210	
Special Education Categorical Aid	663,039		663,039	663,039	
Security Aid	18,978		18,978	18,978	
Transportation Aid	32,013		32,013	32,013	
PARCC Readiness Aid	10,940		10,940	10,940	
Per Pupil Growth Aid	10,940		10,940	10,940	
Extraordinary Aid		\$ 175,000	175,000	208,153	33,153
On-Behalf TPAF Pension Contributions (non-budgeted)				349,399	349,399
On-Behalf Post Retirement Benefit Contributions (non-budgeted)				554,672	554,672
Reimbursed TPAF FICA Contributions (non-budgeted)				487,498	487,498
Total State Sources	<u>778,120</u>	<u>175,000</u>	<u>953,120</u>	<u>2,377,842</u>	<u>1,424,722</u>
Federal Sources:					
Medicaid Reimbursement- SEMI/ARRA				7,468	7,468
Total Federal Sources				<u>7,468</u>	<u>7,468</u>
TOTAL REVENUES	<u>18,084,790</u>	<u>175,000</u>	<u>18,259,790</u>	<u>19,896,073</u>	<u>1,636,283</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 100,000	\$ 18,315	\$ 118,315	\$ 116,357	\$ 1,958
Kindergarten - Salaries of Teachers	315,418	(26,715)	288,703	283,878	4,825
Grades 1-5 - Salaries of Teachers	2,070,035	(470,447)	1,599,588	1,589,800	9,788
Grades 6-8 - Salaries of Teachers	321,000	612,815	933,815	922,903	10,912
Grades 9-12 - Salaries of Teachers	1,713,750	172,515	1,886,265	1,878,762	7,503
Regular Programs - Home Instruction:					
Salaries of Teachers	7,500	5,880	13,380	13,378	2
Purchased Professional - Educational Services	7,500	(6,440)	1,060	1,058	2
Other Purchased Services (400-500 series)					
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	99,154	20,175	119,329	119,305	24
Purchased Professional - Educational Services	28,950	(24,200)	4,750	4,744	6
Purchased Technical Services	1,900	(1,102)	798	625	173
Other Purchased Services (400-500 series)	86,421	(6,444)	79,977	74,727	5,250
General Supplies	231,680	41,150	272,830	269,869	2,961
Textbooks	104,230	(20,493)	83,737	83,186	551
Other Objects	5,153	(3,900)	1,253	237	1,016
Total Regular Programs - Instruction	<u>5,092,691</u>	<u>311,109</u>	<u>5,403,800</u>	<u>5,358,829</u>	<u>44,971</u>
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	943,450	116,200	1,059,650	1,055,446	4,204
Other Salaries for Instruction	77,500	(45,000)	32,500	28,254	4,246
General Supplies	3,000	750	3,750	3,733	17
Textbooks	300	(10)	290	290	290
Total Resource Room/Resource Center	<u>1,024,250</u>	<u>71,940</u>	<u>1,096,190</u>	<u>1,087,433</u>	<u>8,757</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Special Education Instruction - Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 47,600	\$ 7,400	\$ 55,000	\$ 50,770	\$ 4,230
Other Salaries for Instruction		26,320	26,320	26,314	6
General Supplies	10,000	(4,475)	5,525	5,451	74
Total Preschool Disabilities - Full-Time	<u>57,600</u>	<u>29,245</u>	<u>86,845</u>	<u>82,535</u>	<u>4,310</u>
Special Education - Home Instruction					
Salaries of Teachers		5,000	5,000	4,671	329
General Supplies		8,525	8,525	3,306	5,219
Total Special Education - Home Instruction		<u>13,525</u>	<u>13,525</u>	<u>7,977</u>	<u>5,548</u>
Total Special Education Instruction	<u>1,081,850</u>	<u>114,710</u>	<u>1,196,560</u>	<u>1,177,945</u>	<u>18,615</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	52,340	6,099	58,439	57,735	704
General Supplies	100	86	186	186	
Total Basic Skills/Remedial - Instruction	<u>52,440</u>	<u>6,185</u>	<u>58,625</u>	<u>57,921</u>	<u>704</u>
Bilingual Education - Instruction:					
Salaries of Teachers	48,000	2,502	50,502	49,651	851
Other Purchased Services (400-500 series)	250		250		250
General Supplies	200	550	750	148	602
Total Bilingual Education - Instruction	<u>48,450</u>	<u>3,052</u>	<u>51,502</u>	<u>49,799</u>	<u>1,703</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	85,000	30	85,030	68,489	16,541
Supplies and Materials	800		800	190	610
Other Objects	1,000	5,000	6,000	5,568	432
Total School-Sponsored Cocurricular Activities - Instruction	<u>86,800</u>	<u>5,030</u>	<u>91,830</u>	<u>74,247</u>	<u>17,583</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 211,626		\$ 211,626	\$ 173,972	\$ 37,654
Purchased Services (300-500 series)	57,581	\$ (22,968)	34,613	34,180	433
Supplies and Materials	39,622	8,817	48,439	41,138	7,301
Other Objects	21,095	(7,312)	13,783	11,201	2,582
Total School-Sponsored Cocurricular Athletics - Instruction	329,924	(21,463)	308,461	260,491	47,970
Before and After School Programs - Instruction					
Salaries of Teacher Tutors	113,400	(20,000)	93,400	73,965	19,435
General Supplis	5,000	1,998	6,998	4,604	2,394
Other Objects		2,000	2,000	1,775	225
Total Before and After School Programs - Instruction	118,400	(16,002)	102,398	80,344	22,054
Other Instructional Programs - Instruction					
Other Objects		1,536	1,536	1,536	
Total Other Instructional Programs - Instruction		1,536	1,536	1,536	
Total Instruction	6,810,555	404,157	7,214,712	7,061,112	153,600
Instruction:					
Tuition to Other LEAs Within the State - Special	952,195	(71,832)	880,363	880,245	118
Tuition to County Vocational School District - Regular	359,856	(91,402)	268,454	268,365	89
Tuition to County Vocational School District - Special	327,600	54,000	381,600	381,426	174
Tuition to CSSD and Regular Day Schools	422,150	12,202	434,352	434,352	
Tuition to Private Schools for the Disabled - Within the State	879,902	142,000	1,021,902	1,019,142	2,760
Tuition - Other		900	900	898	2
Total Undistributed Expenditures - Instruction:	2,941,703	45,868	2,987,571	2,984,428	3,143

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Undistributed Expenditures - Attendance and Social Work Services:					
Supplies and Materials	\$ 4,500		\$ 4,500	\$ 4,500	
Total Undistributed Expenditures - Attendance and Social Work Services	4,500		4,500	4,500	
Undistributed Expenditures - Health Services:					
Salaries	170,900	\$ 6,000	176,900	174,340	\$ 2,560
Purchased Professional and Technical Services	18,200	(4,560)	13,640	13,569	71
Supplies and Materials	6,260	(1,075)	5,185	4,777	408
Total Undistributed Expenditures - Health Services	195,360	365	195,725	192,686	3,039
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	109,025		109,025	107,942	1,083
Purchased Professional - Educational Services	453,060	39,945	493,005	430,356	62,649
Supplies and Materials		1,525	1,525	1,522	3
Total Undistributed Expenditures - Speech, OT, PT and Related Services	562,085	41,470	603,555	539,820	63,735
Undistributed Expenditures - Other Support Services - Students - Extraordinary					
Salaries	115,200	69,730	184,930	170,844	14,086
Purchased Professional - Educational Services	35,000	(18,290)	16,710	5,726	10,984
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary	150,200	51,440	201,640	176,570	25,070
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	325,375	3,170	328,545	325,091	3,454
Salaries of Secretarial and Clerical Assistants	49,500	500	50,000	50,000	
Purchased Professional - Educational Services	10,400	(2,980)	7,420	7,206	214

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures - Guidance (Cont'd)					
Other Purchased Services (400-500 series)	\$ 750	\$ (750)			
Supplies and Materials	11,840	(2,831)	\$ 9,009	\$ 8,069	\$ 940
Other Objects	1,100	(1,000)	100	42	58
Total Undistributed Expenditures - Guidance	<u>398,965</u>	<u>(3,891)</u>	<u>395,074</u>	<u>390,408</u>	<u>4,666</u>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	1,720		1,720	1,200	520
Salaries of Secretarial and Clerical Assistants	44,200	800	45,000	45,000	
Purchased Professional - Educational Services	363,000	1,000	364,000	357,353	6,647
Residential Costs		31,800	31,800	31,800	
Miscellaneous Purchased Services (400-500 Series Other Than Residence Costs)	3,978		3,978	3,978	
Supplies and Materials	13,000	(4,260)	8,740	8,617	123
Total Undistributed Expenditures - Child Study Teams	<u>425,898</u>	<u>29,340</u>	<u>455,238</u>	<u>447,948</u>	<u>7,290</u>
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisor of Instruction		77,321	77,321	77,312	9
Salaries of Other Professional Staff	17,300	9,200	26,500	15,465	11,035
Supplies and Materials		2,525	2,525		2,525
Other Objects		500	500		500
Total Undistributed Expenditures - Improvement of Instructional Services	<u>17,300</u>	<u>89,546</u>	<u>106,846</u>	<u>92,777</u>	<u>14,069</u>
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries	165,555	25,867	191,422	175,099	16,323
Other Purchased Services (400-500 series)	20,765	(2,700)	18,065	17,519	546
Supplies and Materials	10,390	(563)	9,827	9,303	524
Other Objects	85		85		85
Total Undistributed Expenditures - Educational Media Services/School Library	<u>196,795</u>	<u>22,604</u>	<u>219,399</u>	<u>201,921</u>	<u>17,478</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 5,000	\$ (4,970)	\$ 30		\$ 30
Purchased Professional - Educational Services	17,800	4,450	22,250	\$ 22,250	
Purchased Technical Services	13,000	(12,950)	50		50
Other Purchased Services (400-500 series)	1,710	338	2,048	1,514	534
Total Undistributed Expenditures - Instructional Staff Training Services	37,510	(13,132)	24,378	23,764	614
Undistributed Expenditures - Support Services - General Administration:					
Salaries	230,300	63,693	293,993	275,291	18,702
Legal Services	50,000	(5,000)	45,000	41,130	3,870
Audit Fees	49,250	(2,250)	47,000	24,000	23,000
Architectural/Engineering Services	9,000	2,100	11,100	11,060	40
Other Purchased Professional Services	24,000	(2,750)	21,250	19,962	1,288
Communications/Telephone	87,210	(15,138)	72,072	61,192	10,880
Board of Education Other Purchased Services	4,000	(97)	3,903	3,889	14
Miscellaneous Purchased Services (400-500 series)	46,175	1,940	48,115	44,761	3,354
General Supplies	10,500	(2,625)	7,875	6,608	1,267
Miscellaneous Expenditures	3,000	3,856	6,856	6,855	1
Board of Education Membership Dues and Fees	8,000	(813)	7,187	7,187	
Total Undistributed Expenditures - Support Services - General Administration	521,435	42,916	564,351	501,935	62,416
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	566,475	(95,746)	470,729	463,993	6,736
Salaries of Secretarial and Clerical Assistants	211,150	3,800	214,950	209,608	5,342
Other Purchased Services (400-500 series)	18,595	(3,151)	15,444	14,908	536
Supplies and Materials	61,790	(17,965)	43,825	40,341	3,484
Other Objects	4,500	(1,000)	3,500	3,280	220
Total Undistributed Expenditures - Support Services - School Administration	862,510	(114,062)	748,448	732,130	16,318

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures - Central Services:					
Salaries	\$ 256,750		\$ 256,750	\$ 246,804	\$ 9,946
Purchased Professional Services	39,100	\$ 16,950	56,050	56,047	3
Purchased Technical Services	1,500	490	1,990	1,990	
Other Purchased Services (400-500 series)	4,105	1,818	5,923	5,544	379
Supplies and Materials	16,500	(9,500)	7,000	6,941	59
Other Objects	1,500		1,500	1,215	285
Total Undistributed Expenditures - Central Services	<u>319,455</u>	<u>9,758</u>	<u>329,213</u>	<u>318,541</u>	<u>10,672</u>
Undistributed Expenditures - Administration Information Technology:					
Salaries	106,700		106,700	106,177	523
Purchased Technical Services	26,792	(18,680)	8,112	8,104	8
Supplies and Materials	29,000	(7,582)	21,418	19,884	1,534
Other Objects	1,000	(620)	380		380
Total Undistributed Expenditures - Administration Information Technology	<u>163,492</u>	<u>(26,882)</u>	<u>136,610</u>	<u>134,165</u>	<u>2,445</u>
Undistributed Expenditures - Required Maintenance of School Facilities:					
Salaries	184,825	(693)	184,132	177,228	6,904
Cleaning, Repair and Maintenance Services	140,000	30,615	170,615	148,263	22,352
General Supplies	3,375	11,055	14,430	14,389	41
Other Objects	2,000	350	2,350	2,282	68
Total Undistributed Expenditures - Required Maintenance of School Facilities	<u>330,200</u>	<u>41,327</u>	<u>371,527</u>	<u>342,162</u>	<u>29,365</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 593,400	\$ 48,544	\$ 641,944	\$ 635,459	\$ 6,485
Salaries of Non-Instructional Aides		16,960	16,960	16,958	2
Purchased Professional and Technical Services	2,000	(820)	1,180	1,150	30
Cleaning, Repair and Maintenance Services	15,000	(3,880)	11,120	7,441	3,679
Rental of Land and Buildings Other Than Lease Purchase Agreement	2		2		2
Other Purchased Property Services	24,200	(5,989)	18,211	16,436	1,775
Insurance	85,000	(1,394)	83,606	80,751	2,855
Miscellaneous Purchased Services	1,000	(650)	350	343	7
General Supplies	149,000	(40,662)	108,338	104,904	3,434
Energy (Natural Gas)	118,000	(11,120)	106,880	90,639	16,241
Energy (Electricity)	328,000	(122,169)	205,831	175,788	30,043
Other Objects	2,000	(636)	1,364	1,364	
Total Undistributed Expenditures - Custodial Services	<u>1,317,602</u>	<u>(121,816)</u>	<u>1,195,786</u>	<u>1,131,233</u>	<u>64,553</u>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	23,700	(1,863)	21,837	21,836	1
Cleaning, Repair and Maintenance Services		675	675	649	26
General Supplies	1,500	(675)	825		825
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>25,200</u>	<u>(1,863)</u>	<u>23,337</u>	<u>22,485</u>	<u>852</u>
Undistributed Expenditures - Security:					
Salaries		16,133	16,133	8,941	7,192
Cleaning, Repair and Maintenance Services	17,000	(16,655)	345	345	
General Supplies	9,240	25,222	34,462	13,455	21,007
Total Undistributed Expenditures - Security	<u>26,240</u>	<u>24,700</u>	<u>50,940</u>	<u>22,741</u>	<u>28,199</u>
Total Undistributed Expenditures - Operations & Maintenance of Plant	<u>1,699,242</u>	<u>(57,652)</u>	<u>1,641,590</u>	<u>1,518,621</u>	<u>122,969</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation: Other Than Between Home and School	\$ 31,000	\$ 9,200	\$ 40,200	\$ 40,197	\$ 3
Management Fee - ESC Transp. Prog	15,000	(10,000)	5,000	4,702	298
Cleaning, Repair and Maintenance Services	5,000	(3,770)	1,230	726	504
Contracted Services:					
Other than Between Home and School - Vendors	25,000	8,800	33,800	33,763	37
Other than Between Home and School - Joint Agreements	65,000	(6,000)	59,000	58,918	82
Special Education Students - Joint Agreements	20,000	(500)	19,500	19,500	
Special Education Students - ESCs & CTSA's	430,000	(138,000)	292,000	291,490	510
Aid In Lieu Payments - Charter School Students	5,304		5,304	3,094	2,210
Miscellaneous Purchased Services - Transportation	5,000	(4,230)	770	519	251
Transportation Supplies		50	50	50	
Total Undistributed Expenditures - Student Transportation Services	601,304	(144,450)	456,854	452,959	3,895
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	220,000	30,500	250,500	246,071	4,429
Other Retirement Contributions - PERS	200,000	(18,772)	181,228	170,822	10,406
Unemployment Compensation	110,000	(99,649)	10,351	351	10,000
Workmen's Compensation	80,000	10,619	90,619	90,619	
Health Benefits	1,986,255	(123,633)	1,862,622	1,850,189	12,433
Tuition Reimbursement	30,000	(7,705)	22,295	11,550	10,745
Other Employee Benefits	20,000		20,000		20,000
Total Unallocated Benefits	2,646,255	(208,640)	2,437,615	2,369,602	68,013

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf TPAF Pension Contributions (non-budgeted)				\$ 349,399	\$ (349,399)
On-Behalf Post Retirement Benefit Contributions (non-budgeted)				554,672	(554,672)
Reimbursed TPAF FICA Contributions (non-budgeted)				487,498	(487,498)
Total Personal Services - Employee Benefits	<u>\$ 2,646,255</u>	<u>\$ (208,640)</u>	<u>\$ 2,437,615</u>	<u>3,761,171</u>	<u>(1,323,556)</u>
Total Undistributed Expenditures	<u>11,744,009</u>	<u>(235,402)</u>	<u>11,508,607</u>	<u>12,474,344</u>	<u>(965,737)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>18,554,564</u>	<u>168,755</u>	<u>18,723,319</u>	<u>19,535,456</u>	<u>(812,137)</u>
CAPITAL OUTLAY					
Equipment:					
Grades 1-5		2,225	2,225	2,225	
School-Sponsored and Other Instructional Programs	6,000		6,000	3,630	2,370
Required Maintenance of School Facilities		6,400	6,400	3,200	3,200
Security		33,870	33,870	33,867	3
Custodial Services	<u>30,000</u>	<u>(30,000)</u>			
Total Equipment	<u>36,000</u>	<u>12,495</u>	<u>48,495</u>	<u>42,922</u>	<u>5,573</u>
Facilities Acquisition and Construction Services:					
Assessment for Debt Service- SDA Funding	<u>29,575</u>		<u>29,575</u>	<u>29,575</u>	
Total Facilities Acquisition and Construction Services	<u>29,575</u>		<u>29,575</u>	<u>29,575</u>	
TOTAL CAPITAL OUTLAY	<u>65,575</u>	<u>12,495</u>	<u>78,070</u>	<u>72,497</u>	<u>5,573</u>
Transfer of Funds to Charter School	<u>68,439</u>	<u>(6,250)</u>	<u>62,189</u>	<u>56,186</u>	<u>6,003</u>
TOTAL EXPENDITURES	<u>18,688,578</u>	<u>175,000</u>	<u>18,863,578</u>	<u>19,664,139</u>	<u>(800,561)</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (603,788)		\$ (603,788)	\$ 231,934	\$ 835,722
Other Financing Uses:					
Transfer to Capital Projects Fund from Capital Reserve		2,500,000	(2,500,000)	(2,500,000)	
Total Other Financing Uses		2,500,000	(2,500,000)	(2,500,000)	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	(603,788)	2,500,000	(3,103,788)	(2,268,066)	835,722
Fund Balance, July 1	3,728,552		3,728,552	3,728,552	
Fund Balance, June 30	\$ 3,124,764	\$ 2,500,000	\$ 624,764	\$ 1,460,486	\$ 835,722
Analysis of Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 188,234	
Emergency Reserve				100,000	
Excess Surplus				102,140	
Excess Surplus - Designated for Subsequent Years				118,577	
Assigned Fund Balance:					
Year-End Encumbrances				495,463	
Designated for Subsequent Year's Expenditures - SEMI/ARRA				7,468	
Unassigned Fund Balance				448,604	
Fund Balance per Governmental Funds (Budgetary Basis)				1,460,486	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: Last state aid payments not recognized on a GAAP basis				(40,577)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,419,909	

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources	\$ 3,000	\$ 14,084	\$ 17,084	\$ 8,776	\$ (8,308)
Federal Sources	258,235	91,620	349,855	339,402	(10,453)
Total Revenues	<u>261,235</u>	<u>105,704</u>	<u>366,939</u>	<u>348,178</u>	<u>(18,761)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		16,800	16,800	15,802	998
Tuition	200,000	55,136	255,136	255,136	
General Supplies	3,000	48,218	51,218	40,590	10,628
Total Instruction	<u>203,000</u>	<u>120,154</u>	<u>323,154</u>	<u>311,528</u>	<u>11,626</u>
Support Services:					
Personal Services – Employee Benefits		\$ 1,285	1,285	1,031	254
Other Purchased Services	58,235	(16,479)	41,756	35,091	6,665
Supplies and Materials		544	544	328	216
Other Objects		200	200	200	
Total Support Services	<u>58,235</u>	<u>(14,450)</u>	<u>43,785</u>	<u>36,650</u>	<u>7,135</u>
Total Expenditures	<u>\$ 261,235</u>	<u>\$ 105,704</u>	<u>\$ 366,939</u>	<u>\$ 348,178</u>	<u>\$ 18,761</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

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"	\$ 19,896,073	\$ 348,178
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(6,317)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	28,042	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(40,577)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 19,883,538	\$ 341,861
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 19,664,139	\$ 348,178
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, not in the Year the Supplies are Received for Financial Reporting Purposes.		(6,317)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 19,664,139	\$ 341,861

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ending June 30, 2015, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

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 generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund and Special Revenue Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording these state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Title I	Title II Part A	Title III	IDEA Part B		Local	Total
				Regular	Preschool		
REVENUE:							
Local Sources						\$ 8,776	\$ 8,776
Federal Sources	\$ 72,620	\$ 11,445	\$ 201	\$ 244,180	\$ 10,956		339,402
Total Revenue	<u>72,620</u>	<u>11,445</u>	<u>201</u>	<u>244,180</u>	<u>10,956</u>	<u>8,776</u>	<u>348,178</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	15,802						15,802
Tuition				244,180	10,956		255,136
General Supplies	<u>32,342</u>					<u>8,248</u>	<u>40,590</u>
Total Instruction	<u>48,144</u>			<u>244,180</u>	<u>10,956</u>	<u>8,248</u>	<u>311,528</u>
Support Services:							
Personal Services—Employee Benefits	1,031						1,031
Other Purchased Services	23,445	11,445	201				35,091
Supplies and Materials						328	328
Other Objects						<u>200</u>	<u>200</u>
Total Support Services	<u>24,476</u>	<u>11,445</u>	<u>201</u>			<u>528</u>	<u>36,650</u>
Total Expenditures	<u>\$ 72,620</u>	<u>\$ 11,445</u>	<u>\$ 201</u>	<u>\$ 244,180</u>	<u>\$ 10,956</u>	<u>\$ 8,776</u>	<u>\$ 348,178</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

CAPITAL PROJECTS FUND

Exhibit F-1

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenue and Other Financing Sources:		
State Sources - SDA Grant		\$ 4,821,960
Transfer from Capital Reserve		2,500,000
		<hr/>
Total Revenue and Other Financing Sources		7,321,960
		<hr/>
Expenditures and Other Financing Uses:		
Purchased Professional and Technical Services		748,476
Other Purchased Services		19,510
Construction Services		773,750
Operating Transfers Out - Debt Service Fund		320,000
		<hr/>
Total Expenditures and Other Financing Uses		1,861,736
		<hr/>
Excess of Revenue and Other Financing Sources Over		
Expenditures and Other Financing Uses		5,460,224
		<hr/>
Fund Balance - Beginning Balance		567,681
		<hr/>
Fund Balance - Ending Balance		\$ 6,027,905
		<hr/> <hr/>
<u>Recapitulation:</u>		
Committed Fund Balance:		
Year-End Encumbrances	\$ 402	
Committed Fund Balance - Other Purposes	133,293	
Prior Year		<hr/>
Total Committed Fund Balance		\$ 133,695
		<hr/>
Restricted Fund Balance:		
Year-End Encumbrances	632,135	
Restricted Fund Balance - Other Purposes	5,262,075	
		<hr/>
Total Restricted Fund Balance		5,894,210
		<hr/>
Total Budgetary Basis Fund Balance		6,027,905
		<hr/>
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis		(4,821,960)
		<hr/>
Fund Balance per Governmental Funds (GAAP)		\$ 1,205,945
		<hr/> <hr/>
Reconciliation of Revenue from Budgetary Basis to GAAP Basis:		
SDA Grants Revenue (Budgetary Basis)		\$ 4,821,960
SDA Grants are Recognized as Revenue on the Budgetary Basis when		
awarded but are not Recognized on the GAAP Basis until Expended		(4,821,960)
		<hr/>
SDA Grants Revenue (GAAP Basis)		\$ -0-
		<hr/> <hr/>

Exhibit F-1a

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS SCHOOL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 299,304		\$ 299,304	\$ 299,304
Community Development Block Grant	42,169		42,169	42,169
Total Revenues	<u>341,473</u>		<u>341,473</u>	<u>341,473</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	13,908		13,908	15,000
Construction Services	299,522		299,522	326,473
Transfer to Debt Service Fund		\$ 28,043	28,043	
Total Expenditures and Other Financing Uses	<u>313,430</u>	<u>28,043</u>	<u>341,473</u>	<u>341,473</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ 28,043</u>	<u>\$ (28,043)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number	Not Available			
Grant Date	Not Available			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	<u>\$ 341,473</u>			
Revised Authorized Cost	<u>\$ 341,473</u>			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	June 1994			
Revised Target Completion Date	June 1994			

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
CATHERINE A. DOYLE ELEMENTARY SCHOOL - ADDITION, RENOVATIONS AND FIELD IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,045,200		\$ 1,045,200	\$ 1,045,200
Bond Proceeds and Transfers	4,738,068		4,738,068	4,738,068
Total Revenues	5,783,268		5,783,268	5,783,268
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	1,261,494		1,261,494	1,209,138
Construction Services	3,218,820		3,218,820	4,403,290
Equipment Purchases	178,316		178,316	170,840
Transfer to Debt Service Fund	585,000	\$ 291,957	876,957	
Total Expenditures and Other Financing Uses	5,243,630	291,957	5,535,587	5,783,268
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 539,638	\$ (291,957)	\$ 247,681	\$ -0-

Additional Project Information:

Project Number	5830-060-02-0171
Grant Date	12/27/02
Bond Authorization Date	9/24/2002
Bonds Authorized	\$ 3,462,000
Bonds Issued	\$ 3,185,000
Original Authorized Cost	\$ 4,507,000
Additional Authorized Costs	\$ 1,276,268
Revised Authorized Cost	<u>\$ 5,783,268</u>
Percentage Increase over Original Authorized Cost:	23.44%
Percentage Completion:	95.72%
Original Target Completion Date:	June 2004
Revised Target Completion Date:	December 2004

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
2014 REFERENDUM - VARIOUS DISTRICT WIDE RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 4,442,400	\$ 4,442,400	\$ 4,442,400
Bond Proceeds				7,446,853
Transfer from Capital Reserve		1,930,660	1,930,660	1,930,660
Total Revenues		<u>6,373,060</u>	<u>6,373,060</u>	<u>13,819,913</u>
Expenditures				
Purchased Professional and Technical Services		674,978	674,978	1,500,000
Other Purchased Services		19,510	19,510	22,722
Construction Services		4,000	4,000	12,297,191
Total Expenditures		<u>698,488</u>	<u>698,488</u>	<u>13,819,913</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ -0-</u>	<u>\$ 5,674,572</u>	<u>\$ 5,674,572</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	Various
Grant Date	05/01/14
Bond Authorization Date	9/30/2014
Bonds Authorized	9/30/2014
Bonds Issued	N/A
Original Authorized Cost	<u>\$ 13,819,913</u>
Revised Authorized Cost:	<u>\$ 13,819,913</u>
Percentage Increase over Original Authorized Cost:	N/A
Percentage Completion:	5.05%
Original Target Completion Date:	September 2017

Exhibit F-1d

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
WOOD-RIDGE HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 379,560	\$ 379,560	\$ 379,560
Transfer from Capital Reserve		569,340	569,340	569,340
Total Revenues		948,900	948,900	948,900
Expenditures				
Purchased Professional and Technical Services		73,498	73,498	76,900
Construction Services		769,750	769,750	868,000
Other Objects				4,000
Total Expenditures		843,248	843,248	948,900
Excess of Revenue and Other Financing Sources Over Expenditures	\$ -0-	\$ 105,652	\$ 105,652	\$ -0-
Additional Project Information:				
Project Number	5830-050-14-1002			
Grant Date	05/07/14			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 948,900			
Revised Authorized Cost	<u>\$ 948,900</u>			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	88.87%			
Original Target Completion Date	June 2016			

PROPRIETARY FUNDS

Exhibit G-1

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 115,439
Accounts Receivable:	
Federal Government	5,794
State Government	205
Inventories	1,988
	<hr/>
Total Current Assets	123,426
	<hr/>
Non-Current Assets:	
Capital Assets	79,042
Less: Accumulated Depreciation	(56,847)
	<hr/>
Total Non-Current Assets	22,195
	<hr/>
Total Assets	145,621
	<hr/>
LIABILITIES:	
Accounts Payable - Vendors	102,555
	<hr/>
Total Liabilities	102,555
	<hr/>
NET POSITION:	
Net Investment in Capital Assets	22,195
Unrestricted	20,871
	<hr/>
Total Net Position	\$ 43,066
	<hr/> <hr/>

Exhibit G-2

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenue:	
Daily Sales	\$ 281,800
Special Events	11,768
	<hr/>
Total Operating Revenue	293,568
	<hr/>
Operating Expenses:	
Cost of Sales	209,330
Management Fee	22,594
Salaries, Benefits & Payroll Taxes	161,556
Other	33,061
Depreciation Expense	3,523
	<hr/>
Total Operating Expenses	430,064
	<hr/>
Operating Loss	(136,496)
	<hr/>
Non-Operating Revenue:	
Federal Sources:	
School Breakfast Program	6,336
National School Lunch Program	93,502
Food Distribution Program	24,392
State Sources:	
School Lunch Program	3,901
	<hr/>
Total Non-Operating Revenue	128,131
	<hr/>
Change in Net Position	(8,365)
	<hr/>
Net Position - Beginning of Year	51,431
	<hr/>
Net Position - End of Year	\$ 43,066
	<hr/> <hr/>

Exhibit G-3

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 293,568
Payments to Employees	(161,556)
Payments to Suppliers	(203,544)
	<hr/>
Net Cash Used for Operating Activities	(71,532)
Cash Flows from Noncapital Financing Activities:	
Cash Received from State Reimbursements	4,241
Cash Received from Federal Reimbursements	108,205
	<hr/>
Net Cash Provided by Noncapital Financing Activities	112,446
Net Increase in Cash and Cash Equivalents	40,914
Cash and Cash Equivalents, July 1	74,525
	<hr/>
Cash and Cash Equivalents, June 30	\$ 115,439
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (136,496)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	3,523
Federal Food Distribution Program	24,392
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	668
Increase/(Decrease) in Accounts Payable	36,381
	<hr/>
Net Cash Used for Operating Activities	\$ (71,532)
	<hr/> <hr/>

Non-Cash Investing, Capital and Financing Activities:

The District received USDA donated commodities valued at \$24,392 and used \$24,392 of those commodities during the fiscal year.

FIDUCIARY FUNDS

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Private- Purpose Scholarship Trust	Flexible Spending Trust	Unemployment Compensation Trust	Agency		
				Student Activity	Payroll	Total
ASSETS:						
Cash and Cash Equivalents	\$ 15,874	\$ 1,808	\$ 76,703	\$ 111,444	\$ 8,568	\$ 120,012
Total Assets	15,874	1,808	76,703	111,444	8,568	120,012
LIABILITIES:						
Due to Student Groups				111,444		111,444
Payroll Deductions and Withholdings					4,592	4,592
Net Salaries and Wages					3,976	3,976
Total Liabilities				111,444	8,568	120,012
NET POSITION:						
Held in Trust for:						
Flexible Spending		1,808				
Unemployment Claims			76,703			
Restricted for Scholarships	15,874					
Total Net Position	\$ 15,874	\$ 1,808	\$ 76,703	\$ -0-	\$ -0-	\$ -0-

Exhibit H-2

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private- Purpose Scholarship Trust	Flexible Spending Trust	Unemployment Compensation Trust
Additions:			
Contributions:			
Plan Members		\$ 13,583	\$ 30,113
Total Contributions		13,583	30,113
Investment Earnings:			
Interest	\$ 16		
Net Investment Earnings	16		
Total Additions	16	13,583	30,113
Deductions:			
Scholarship Payments	1,500		
Flexible Spending Claims		12,374	
Unemployment Benefit Claims			34,221
Total Deductions	1,500	12,374	34,221
Change in Net Position	(1,484)	1,209	(4,108)
Net Position—Beginning of the Year	17,358	599	80,811
Net Position—End of the Year	\$ 15,874	\$ 1,808	\$ 76,703

Exhibit H-3

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 103,604	\$ 263,375	\$ 255,535	\$ 111,444
Total Assets	<u>\$ 103,604</u>	<u>\$ 263,375</u>	<u>\$ 255,535</u>	<u>\$ 111,444</u>
LIABILITIES:				
Interfund Payable	\$ 11		\$ 11	
Due to Student Groups	<u>103,593</u>	<u>\$ 263,375</u>	<u>255,524</u>	<u>\$ 111,444</u>
Total Liabilities	<u>\$ 103,604</u>	<u>\$ 263,375</u>	<u>\$ 255,535</u>	<u>\$ 111,444</u>

Exhibit H-4

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Student Activities Account	\$ 103,465	\$ 219,070	\$ 212,651	\$ 109,884
Athletic Account	<u>139</u>	<u>44,305</u>	<u>42,884</u>	<u>1,560</u>
Total All Schools	<u>\$ 103,604</u>	<u>\$ 263,375</u>	<u>\$ 255,535</u>	<u>\$ 111,444</u>

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 7,278	\$ 10,840,137	\$ 10,838,847	\$ 8,568
Total Assets	\$ 7,278	\$ 10,840,137	\$ 10,838,847	\$ 8,568
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 3,408	\$ 4,846,004	\$ 4,844,820	\$ 4,592
Net Salaries and Wages	1,544	5,994,133	5,991,701	3,976
Interfund Payable	2,326		2,326	
Total Liabilities	\$ 7,278	\$ 10,840,137	\$ 10,838,847	\$ 8,568

LONG-TERM DEBT

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance June 30, 2014	Issued	Retired or Matured	Balance June 30, 2015
			Outstanding June 30, 2015							
			Date	Amount						
2005 School Bonds	7/15/2005	\$ 6,500,000				\$ 300,000		\$ 300,000		
School Refunding Bonds	1/13/2013	4,450,000	07/15/15	\$ 330,000	2.000%					
			07/15/16	345,000	3.000%					
			07/15/17	360,000	3.000%					
			07/15/18	375,000	3.000%					
			07/15/19	390,000	3.000%					
			07/15/20	400,000	3.000%					
			07/15/21	415,000	3.000%					
			07/15/22	430,000	3.000%					
			07/15/23	445,000	3.000%					
			07/15/24	455,000	3.000%					
			07/15/25	460,000	3.000%					
						4,425,000		20,000	\$ 4,405,000	
						\$ 4,725,000	\$ -0-	\$ 320,000	\$ 4,405,000	

Exhibit I-2

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 123,370		\$ 123,370	\$ 123,370	
Total Revenues	<u>123,370</u>		<u>123,370</u>	<u>123,370</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	138,350		138,350	138,350	
Redemption of Principal	<u>320,000</u>		<u>320,000</u>	<u>320,000</u>	
Total Regular Debt Service	<u>458,350</u>		<u>458,350</u>	<u>458,350</u>	
Total Expenditures	<u>458,350</u>		<u>458,350</u>	<u>458,350</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(334,980)</u>		<u>(334,980)</u>	<u>(334,980)</u>	
Other Financing Sources:					
Operating Transfers In - Capital Projects Fund	<u>320,000</u>		<u>320,000</u>	<u>320,000</u>	
Total Other Financing Sources	<u>320,000</u>		<u>320,000</u>	<u>320,000</u>	
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>(14,980)</u>		<u>(14,980)</u>	<u>(14,980)</u>	
Fund Balance, July 1	<u>14,981</u>		<u>14,981</u>	<u>14,981</u>	
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -0-</u>
Recapitulation:					
Restricted Fund Balance				<u>\$ 1</u>	

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

	<u>Exhibit</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,871,429	\$ 2,551,822	\$ 2,628,006	\$ 2,937,868	\$ 3,103,792	\$ 3,326,196	\$ 3,514,848	\$ 4,070,016	\$ 4,097,324	\$ 5,653,064
Restricted	2,978,634	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885	1,960,762
Unrestricted/(Deficit)	(146,168)	189,045	50,649	21,949	(178,669)	26,066	96,285	13,360	(3,655,448)	(3,373,767)
Total Governmental Activities Net Position	\$ 5,703,895	\$ 5,248,686	\$ 4,877,786	\$ 5,175,476	\$ 5,453,672	\$ 5,849,152	\$ 6,362,344	\$ 6,277,546	\$ 4,360,761	\$ 4,240,059
Business-Type Activities:										
Net Investment in Capital Assets	\$ 1,779	\$ 5,718	\$ 4,671	\$ 3,625	\$ 2,578	\$ 1,916	\$ 23,709	\$ 22,849	\$ 25,718	\$ 22,195
Unrestricted	14,602	18,012	21,540	39,871	60,052	66,434	30,816	26,581	25,713	20,871
Total Business-Type Activities Net Position	\$ 16,381	\$ 23,730	\$ 26,211	\$ 43,496	\$ 62,630	\$ 68,350	\$ 54,525	\$ 49,430	\$ 51,431	\$ 43,066
District-Wide:										
Net Investment in Capital Assets	\$ 2,873,208	\$ 2,557,540	\$ 2,632,677	\$ 2,941,493	\$ 3,106,370	\$ 3,328,112	\$ 3,538,557	\$ 4,092,865	\$ 4,123,042	\$ 5,675,259
Restricted	2,978,634	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885	1,960,762
Unrestricted/(Deficit)	(131,566)	207,057	72,189	61,820	(118,617)	92,500	127,101	39,941	(3,629,735)	(3,352,896)
Total District Net Position	\$ 5,720,276	\$ 5,272,416	\$ 4,903,997	\$ 5,218,972	\$ 5,516,302	\$ 5,917,502	\$ 6,416,869	\$ 6,326,976	\$ 4,412,192	\$ 4,283,125

* - As restated

Source: School District Financial Reports

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
Instruction	\$ 6,843,870	\$ 7,272,803	\$ 7,328,623	\$ 7,658,207	\$ 8,008,182	\$ 7,666,644	\$ 7,743,091	\$ 7,712,716	\$ 8,240,879	\$ 10,696,906
Support Services:										
Tuition	775,134	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406	3,239,564
Student & Instruction Related Services	1,462,116	1,646,608	1,635,675	1,612,269	1,781,973	1,847,454	1,816,489	1,986,337	2,204,080	2,680,711
General Administrative Services	354,097	376,343	428,327	467,108	506,152	435,980	510,635	503,476	614,242	864,169
School Administrative Services	567,276	702,114	735,789	736,746	706,934	772,819	817,217	1,012,327	986,951	1,211,279
Central Services	282,946	292,557	300,453	307,367	324,204	325,703	338,875	352,975	363,566	430,455
Administrative Information Technology	93,092	121,535	115,934	113,534	118,893	154,345	151,831	154,031	165,977	167,076
Plant Operations And Maintenance	1,380,562	1,513,133	1,626,326	1,654,393	1,571,446	1,501,748	1,521,990	1,574,683	1,666,628	1,531,313
Pupil Transportation	346,208	573,840	619,154	538,802	493,178	519,844	441,156	569,410	609,472	712,044
Business and Other Support Services	938,844	1,379,801	1,379,159	953,213	1,016,854	1,076,657	1,361,521	1,568,004	1,427,267	
Interest On Long-Term Debt	255,997	255,879	249,958	238,604	229,991	221,082	211,820	148,533	117,167	130,840
Unallocated Depreciation	241,637	232,984	226,951	221,532	224,606	251,864	212,926	242,936	246,648	246,648
Capital Outlay		59,601		10,718		37,056	19,097	37,333	29,575	29,575
Other - Bond Issuance Costs/Loss on Bond Sale					50,075	49,296	27,658	57,526	140,713	
Transfer to Charter School							36,897	62,473	56,186	
Total Governmental Activities Expenses	13,541,779	15,640,392	16,311,822	16,186,832	16,787,956	17,006,801	17,613,225	18,830,106	20,171,044	21,996,766
Business-Type Activities:										
Food Service	374,884	382,645	394,949	400,845	377,660	381,875	406,185	415,251	392,425	430,064
Total Business-Type Activities Expense	374,884	382,645	394,949	400,845	377,660	381,875	406,185	415,251	392,425	430,064
Total District Expenses	13,916,663	16,023,037	16,706,771	16,587,677	17,165,616	17,388,676	18,019,410	19,245,357	20,563,469	22,426,830
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 1,161,643	\$ 1,099,420	\$ 1,106,111	\$ 1,125,316	\$ 1,071,275	\$ 1,208,085	\$ 1,388,926	\$ 1,249,073	\$ 1,164,499	\$ 1,826,417
Operating Grants and Contributions	486,794	480,205	434,906	403,820	472,003	459,208	415,322	356,575	320,050	4,175,286
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	1,648,437	1,579,625	1,541,017	1,529,136	1,543,278	1,667,293	1,804,248	1,605,648	1,484,549	6,001,703
Business-Type Activities:										
Charges for Services:										
Food Service	317,377	321,753	327,151	344,491	306,966	299,648	295,931	294,123	291,439	293,568
Operating Grants and Contributions	64,365	64,596	67,581	73,639	89,828	87,947	96,429	92,617	102,987	128,131
Total Business Type Activities Program Revenues	381,742	386,349	394,732	418,130	396,794	387,595	392,360	386,740	394,426	421,699
Total District Program Revenues	2,030,179	1,965,974	1,935,749	1,947,266	1,940,072	2,054,888	2,196,608	1,992,388	1,878,975	6,423,402
Net (Expense)/Revenue:										
Governmental Activities	(11,893,342)	(14,060,767)	(14,770,805)	(14,657,696)	(15,244,678)	(15,339,508)	(15,808,977)	(17,224,458)	(18,686,495)	(15,995,063)
Business-Type Activities	6,858	3,704	(217)	17,285	19,134	5,720	(13,825)	(28,511)	2,001	(8,365)
Total District-Wide Net Expense	(11,886,484)	(14,057,063)	(14,771,022)	(14,640,411)	(15,225,544)	(15,333,788)	(15,822,802)	(17,252,969)	(18,684,494)	(16,003,428)

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,076,112	\$ 10,831,384	\$ 11,548,935	\$ 12,341,718	\$ 12,807,191	\$ 13,563,859	\$ 13,835,136	\$ 14,111,839	\$ 15,141,775	\$ 15,444,610
Taxes Levied for Debt Service	336,128	283,960	341,273	424,904	396,132	453,918	478,252	205,103	144,562	123,370
Unrestricted Grants and Contributions	1,731,857	2,259,432	2,295,832	1,963,329	2,103,868	1,577,801	1,888,072	2,283,506	2,215,210	66,645
Interest and Miscellaneous Income	214,037	235,105	213,865	275,348	215,683	139,410	73,240	203,626	97,139	239,736
Rents and Royalties									251,368	
Special Item - Sale of Property									2,500,000	
Special Item - Capital Assets Superstorm Sandy								335,586		
Total Governmental Activities	<u>12,358,134</u>	<u>13,609,881</u>	<u>14,399,905</u>	<u>15,005,299</u>	<u>15,522,874</u>	<u>15,734,988</u>	<u>16,274,700</u>	<u>17,139,660</u>	<u>20,350,054</u>	<u>15,874,361</u>
Business-Type Activities:										
Investment Earnings		1,102	2,698							
Transfers	511									
Other								23,416		
Total Business-Type Activities	<u>511</u>	<u>1,102</u>	<u>2,698</u>					<u>23,416</u>		
Total District-Wide	<u>12,358,645</u>	<u>13,610,983</u>	<u>14,402,603</u>	<u>15,005,299</u>	<u>15,522,874</u>	<u>15,734,988</u>	<u>16,274,700</u>	<u>17,163,076</u>	<u>20,350,054</u>	<u>15,874,361</u>
Change in Net Position										
Governmental Activities	464,792	(450,886)	(370,900)	347,603	278,196	395,480	465,723	(84,798)	1,663,559	(120,702)
Business-Type Activities	7,369	4,806	2,481	17,285	19,134	5,720	(13,825)	(5,095)	2,001	(8,365)
Total District	<u>\$ 472,161</u>	<u>\$ (446,080)</u>	<u>\$ (368,419)</u>	<u>\$ 364,888</u>	<u>\$ 297,330</u>	<u>\$ 401,200</u>	<u>\$ 451,898</u>	<u>\$ (89,893)</u>	<u>\$ 1,665,560</u>	<u>\$ (129,067)</u>

Source: School District Financial Reports

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,195,563	\$ 676,892	\$ 461,953	\$ 781,011	\$ 1,208,621					
Restricted						\$ 1,081,368	\$ 1,344,994	\$ 1,163,783	\$ 3,336,223	\$ 508,951
Committed						104,265	97,938	47,728		
Assigned						16,408	154,085	104,641	24,250	502,931
Unassigned						307,398	412,321	308,739	340,037	408,027
Unreserved	334,690	539,062	415,811	408,479	202,327					
Total General Fund	\$ 1,530,253	\$ 1,215,954	\$ 877,764	\$ 1,189,490	\$ 202,327	\$ 1,509,439	\$ 2,009,338	\$ 1,624,891	\$ 3,700,510	\$ 1,419,909
All Other Governmental Funds/(Deficit)										
Reserved/Restricted	\$ 25,657	\$ 17,600	\$ 103,486	\$ 9,247						\$ 1,451,810
Unreserved Reported In:										
Capital Projects Fund	1,603,489	1,579,224	1,470,724	1,316,356	\$ 1,290,852	\$ 1,179,013	\$ 1,179,013	\$ 877,681	\$ 567,682	
Debt Service Fund	153,925	234,103	162,968	109,045	29,076	1,513	1,513	15,317	14,980	1
Unassigned/(Deficit)										(245,865)
Total All Other Governmental Funds	\$ 1,783,071	\$ 1,830,927	\$ 1,737,178	\$ 1,434,648	\$ 1,319,928	\$ 1,180,526	\$ 1,180,526	\$ 892,998	\$ 582,662	\$ 1,205,946
Total All Government Funds	\$ 3,313,324	\$ 3,046,881	\$ 2,614,942	\$ 2,624,138	\$ 1,522,255	\$ 2,689,965	\$ 3,189,864	\$ 2,517,889	\$ 4,283,172	\$ 2,625,855

Source: School District Financial Reports

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 10,412,240	\$ 11,115,344	\$ 11,890,208	\$ 12,766,622	\$ 13,203,323	\$ 14,017,777	\$ 14,313,388	\$ 14,316,942	\$ 15,286,337	\$ 15,567,980
Tuition Charges	1,161,643	1,099,420	1,106,111	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073	1,164,499	1,826,417
Interest Earnings		1,250	4,250	1,654	2,754	1,291	955	1,572	126	398
Rents and Royalties									251,368	156,060
Sale of Property									1,000,000	
Miscellaneous	214,037	233,855	128,977	251,436	217,849	147,857	78,446	210,206	107,514	90,982
State Sources	1,897,144	2,401,104	2,418,029	2,061,052	2,067,158	1,485,053	1,841,412	2,283,506	2,215,210	2,365,307
Federal Sources	321,507	338,533	312,709	306,097	503,793	480,915	461,982	348,423	309,549	341,625
Total Revenue	14,006,571	15,189,506	15,860,284	16,512,177	17,066,152	17,340,978	18,085,109	18,409,722	20,334,603	20,348,769
Expenditures										
Instruction	5,822,806	6,162,252	6,147,001	6,532,437	6,799,791	6,384,469	6,497,134	6,433,075	6,836,872	7,147,837
Support Services:										
Tuition	775,134	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406	3,239,564
Student & Instruction Related Services	1,269,358	1,441,966	1,427,299	1,430,231	1,550,394	1,611,251	1,582,299	1,758,434	1,957,784	2,070,393
General Administrative Services	317,084	337,004	385,508	426,104	461,530	385,284	455,113	447,064	536,112	501,935
School Administrative Services	477,565	591,719	616,026	624,762	591,923	641,279	658,524	811,400	784,016	732,130
Central Services	243,110	250,614	254,876	263,820	276,980	274,809	289,941	299,876	307,887	318,541
Administrative Information Technology	76,897	101,674	94,950	94,469	98,404	131,302	130,018	130,488	142,310	134,165
Plant Operations And Maintenance	1,245,318	1,422,893	1,468,858	1,507,362	1,424,232	1,342,996	1,366,111	1,410,859	1,483,384	1,518,622
Pupil Transportation	363,100	568,798	636,262	538,575	487,519	512,908	434,863	562,065	600,973	452,959
Unallocated Benefits	2,483,048	3,051,626	3,160,948	2,666,737	2,841,960	3,112,470	3,152,822	3,474,794	3,511,404	3,761,171
Capital Outlay		91,923		12,718	142,216	195,021	73,220	351,186	95,801	1,614,233
Debt Service:										
Principal	24,087	25,083	241,105	262,164	245,000	255,000	265,000	275,000	310,000	320,000
Interest And Other Charges	229,752	256,804	251,941	242,914	233,922	225,172	216,072	206,279	144,898	138,350
Transfer to Charter School					50,075	49,296	27,658	36,897	62,473	56,186
Total Expenditures	13,327,259	15,515,550	16,350,247	16,276,632	16,959,414	17,267,566	17,587,694	19,070,339	20,069,320	22,006,086
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	679,312	(326,044)	(489,963)	235,545	106,738	73,412	497,415	(660,617)	265,283	(1,657,317)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)		59,601								
Bond Proceeds								14,974		
Other - Superstorm Sandy Recovery								338,086		
Superstorm Sandy Expenses								(338,086)		
Transfers In		78,105	80,638	25,251	2,821	1,175	366	275,006	310,000	2,820,000
Transfers Out		(78,105)	(80,638)	(26,251)	(2,821)	(1,175)	(366)	(275,006)	(310,000)	(2,820,000)
Total Other Financing Sources (Uses)		59,601		(1,000)				14,974		
Net Change In Fund Balances	\$ 679,312	\$ (266,443)	\$ (489,963)	\$ 234,545	\$ 106,738	\$ 73,412	\$ 497,415	\$ (645,643)	\$ 265,283	\$ (1,657,317)
Debt Service As A Percentage Of Noncapital Expenditures	1.90%	1.83%	3.02%	3.11%	2.85%	2.81%	2.75%	2.57%	2.28%	2.25%

Source: School District Financial Reports

Exhibit J-5

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
 (modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Restricted Miscellaneous Revenue	Tuition	Rentals- Use of Facilities	Refunds	Other	Total
2006	\$ 5,002	\$ 92,249		\$ 2,500	\$ 3,398	\$ 22,155	\$ 125,304
2007	47,098	1,250			94,159	14,493	157,000
2008	25,721	4,250			95,105	8,151	133,227
2009	37,752			2,300	41,659	166,480	248,191
2010	6,406					206,456	212,862
2011	5,976			2,625	78,564	51,070	138,235
2012	4,828			2,992	52,989	15,680	76,489
2013	1,572			120,000	57,160	24,888	203,620
2014	3,171				41,579	52,263	97,013
2015	6,856		\$ 1,826,417	156,060		84,524	2,073,857

Source: Wood-Ridge Borough School District records

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2005	\$ 3,207,700	\$ 577,705,800	\$ 47,161,300	\$ 87,080,400	\$ 19,156,300	\$ 734,311,500	\$ 43,313,300	\$ 725,903	\$ 691,724,103	\$ 1.343	\$ 963,120,889
2006	3,214,200	578,958,500	78,562,000	87,080,400	19,156,300	766,971,400	43,313,300	725,903	691,724,103	1.402	1,101,757,382
2007	56,001,500	580,734,500	38,193,700	87,080,400	19,156,300	781,166,400	43,452,000	512,640	738,227,040	1.471	1,222,296,973
2008	56,865,200	580,594,200	38,213,700	87,080,400	19,156,300	781,909,800	43,917,500	534,774	738,527,074	1.576	1,348,779,852
2009	57,093,700	581,687,900	37,973,600	87,080,400	17,209,800	781,045,400	43,687,800	535,480	737,893,080	1.661	1,290,027,638
2010	56,529,300	584,494,100	37,973,600	87,080,400	17,209,800	783,287,200	43,321,300	614,644	740,580,544	1.736	1,315,447,940
2011	67,982,800	586,141,300	38,077,700	79,831,500	17,209,800	789,243,100	43,205,100	546,760	746,584,760	1.794	1,256,721,214
2012	68,575,400	587,155,700	38,043,200	79,765,900	16,949,100	790,489,300	43,889,200	532,680	747,132,780	1.822	1,228,999,888
2013	68,418,100	587,891,700	37,398,100	79,765,900	16,471,400	789,945,200	70,605,100	559,307	719,899,407	1.915	1,174,989,142
2014	73,570,000	589,584,400	38,288,000	78,883,300	16,471,400	796,797,100	83,331,100	602,730	714,068,730	1.952	1,217,882,320

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Exhibit J-7

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Wood-Ridge Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Wood-Ridge	Bergen County	
2005	\$ 1.300	\$ 0.043	\$ 1.343	\$ 0.838	\$ 0.259	\$ 2.440
2006	1.364	0.038	1.402	1.005	0.263	2.670
2007	1.433	0.038	1.471	1.106	0.283	2.860
2008	1.531	0.045	1.576	1.141	0.320	3.037
2009	1.616	0.045	1.661	1.204	0.336	3.201
2010	1.706	0.030	1.736	1.286	0.327	3.349
2011	1.764	0.030	1.794	1.264	0.328	3.386
2012	1.776	0.046	1.822	1.301	0.345	3.468
2013	1.866	0.049	1.915	1.334	0.351	3.600
2014	1.935	0.017	1.952	1.371	0.333	3.656

Source: Municipal Tax Collector and School Business Administrator

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

BOROUGH OF WOOD-RIDGE

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
WR Industrial	\$ 45,850,000	6.19%			0.00%
WR Development LLC	43,800,000	5.91%	Not Available		0.00%
Pulte Homes of NJ, LP - Westmont Dr.	6,440,000	0.87%			0.00%
Cliff View Gardens	6,400,000	0.86%			0.00%
Pulte Homes of NJ, LP	4,830,000	0.65%			0.00%
One Ethel Blvd LLC	4,500,000	0.61%			0.00%
Wesmont Station Res I	4,000,000	0.54%			0.00%
Deldor Realty Corp. C/O Fiesta	3,703,200	0.50%			0.00%
One Park Place, LLC	3,659,500	0.49%			0.00%
Home Properties Windsor, LLC	3,500,000	0.47%			0.00%
	<u>\$ 126,682,700</u>	<u>17.11%</u>		<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal</u> <u>Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2006	\$ 10,412,240	\$ 10,412,240	100.00%	\$ -0-
2007	11,115,344	11,113,439	99.98%	1,905
2008	11,890,208	11,293,793	94.98%	596,415
2009	12,766,622	12,543,650	98.25%	222,972
2010	13,203,323	12,103,047	91.67%	1,100,276
2011	14,017,777	12,845,197	91.64%	1,172,580
2012	14,313,388	13,120,606	91.67%	1,192,782
2013	14,316,942	13,113,314	91.59%	1,203,628
2014	15,286,337	14,012,473	91.67%	1,273,864
2015	15,567,980	14,919,313	95.83%	648,667

Source: Wood-Ridge Borough School District records including the Certificate and Report of School Taxes (A4F form)

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2006	\$ 6,578,352		\$ 6,578,352	1.40%	\$ 884
2007	6,553,269	- 0 -	6,553,269	1.31%	882
2008	6,312,164	- 0 -	6,312,164	1.26%	850
2009	6,050,000	- 0 -	6,050,000	1.27%	811
2010	5,805,000	- 0 -	5,805,000	1.19%	760
2011	5,550,000	- 0 -	5,550,000	0.99%	665
2012	5,285,000	- 0 -	5,285,000	0.91%	631
2013	5,035,000	- 0 -	5,035,000	0.86%	598
2014	4,725,000	- 0 -	4,725,000	0.80%	559
2015	4,405,000	- 0 -	4,405,000	0.75%	521

Source: School District Financial Reports

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

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

Exhibit J-11

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	6,578,352	-0-	6,578,352	0.951%	884
2007	6,553,269	-0-	6,553,269	0.947%	882
2008	6,312,164	-0-	6,312,164	0.855%	850
2009	6,050,000	-0-	6,050,000	0.819%	811
2010	5,805,000	-0-	5,805,000	0.787%	760
2011	5,550,000	-0-	5,550,000	0.749%	665
2012	5,285,000	-0-	5,285,000	0.708%	631
2013	5,035,000	-0-	5,035,000	0.674%	598
2014	4,725,000	-0-	4,725,000	0.656%	559
2015	4,405,000	-0-	4,405,000	0.617%	521

Source: School District Financial Reports

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b Population data can be found in on J-14. This ratio is calculated using net valuation taxable data for the prior calendar year.

Exhibit J-12

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Borough of Wood-Ridge	\$ 27,326,446	100.00%	\$ 27,326,446
Bergen County General Obligation Debt	933,422,641	0.75%	7,004,258
Bergen County Utilities Authority	214,027,570	0.83%	<u>1,776,429</u>
Subtotal, Overlapping Debt			36,107,132
Wood-Ridge Borough School District Direct Debt			<u>4,405,000</u>
Total Direct And Overlapping Debt			<u>\$ 40,512,132</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation; debt outstanding data provided by each governmental unit.

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

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Wood-Ridge Borough 's equalized property value that is within the Bergen County's boundaries and dividing it by Bergen County's total equalized property value.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

	Wood-Ridge Borough
Equalized Valuation Basis	\$ 1,175,798,453
2012	1,169,249,852
2013	1,158,303,678
2014	\$ 3,503,351,983
Average Equalized Valuation of Taxable Property	
	\$ 1,167,783,994
Debt Limit ^a (4% of average equalization value)	
	\$ 46,711,360
Net Bonded School Debt as of June 30, 2015	
	4,405,000
Legal Debt Margin	
	\$ 42,306,360

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 35,275,807	\$ 41,845,461	\$ 47,452,531	\$ 51,571,449	\$ 52,756,476	\$ 51,450,403	\$ 32,720,143	\$ 48,397,455	\$ 47,628,072	\$ 46,711,360
Total Net Debt Applicable to Limit	6,578,352	6,553,269	6,312,164	6,050,000	5,805,000	5,550,000	5,285,000	5,035,000	4,725,000	4,405,000
Legal Debt Margin	\$ 2,056,742	\$ 7,080,110	\$ 13,123,746	\$ 20,174,176	\$ 27,075,340	\$ 29,403,656	\$ 28,703,736	\$ 28,221,637	\$ 42,903,072	\$ 42,306,360
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	18.65%	15.66%	13.30%	11.73%	11.00%	10.79%	16.15%	10.40%	9.92%	9.43%

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2006	7,441	\$ 469,549,423	\$ 63,103	2.80%
2007	7,433	502,054,552	67,544	2.90%
2008	7,430	500,269,330	67,331	3.80%
2009	7,462	476,627,788	63,874	6.80%
2010	7,637	487,889,745	63,885	6.90%
2011	8,342	560,982,816	67,248	6.80%
2012	8,380	580,574,780	69,281	7.00%
2013	8,419	585,078,405	69,495	5.70%
2014	8,450	587,232,750 *	69,495 *	5.30%
2015	8,450 **	587,232,750 *	69,495 *	N/A

* - Latest Bergen County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

N/A - Information Unavailable

Source: School District Reports

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

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

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2014			2005		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
N/A		N/A	N/A		N/A
N/A		N/A	N/A		N/A
N/A		N/A	N/A		N/A
N/A		N/A	N/A		N/A

N/A - Total amount of employment is not available in order to calculate percentage of total employment.

Source: Bergen County Chamber of Commerce.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	67.0	64.0	69.0	68.4	72.9	72.0	71.8	66.0	75.4	83.2
Special Education	9.0	10.0	11.0	11.5	11.5	11.5	11.5	14.6	16.8	15.8
Other Special Education		9.0	9.0	11.0	9.0	9.3	9.2	4.0	2.0	2.0
Other Instruction		3.0	3.0	4.1	5.1	5.7	6.0	1.0	1.0	1.0
Support Services:										
Student & Instruction Related Services	14.0	19.0	13.2	13.5	13.2	13.2	13.2	15.0	17.0	11.0
General Administrative Services			2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
School Administrative Services	10.0	10.0	7.5	7.5	7.3	7.3	7.3	9.0	9.0	8.0
Central Services	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0
Plant Operations and Maintenance	13.0	14.0	13.0	13.0	12.0	12.0	12.0	11.5	12.0	11.5
Pupil Transportation					0.5	0.5	0.5	0.5	0.5	0.5
Food Service									1.0	1.0
Total	<u>119.0</u>	<u>135.0</u>	<u>131.7</u>	<u>135.0</u>	<u>137.5</u>	<u>137.5</u>	<u>137.5</u>	<u>128.1</u>	<u>141.7</u>	<u>142.0</u>

Source: District Personnel Records

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	1,132	\$ 13,073,420	\$ 11,549	1.93%	87.0	1:23	1:22	1:16	1,132	1,082	4.62%	95.58%
2007	1,130	15,141,740	13,400	16.03%	94.0	1:19	1:18	1:16	1,130	1,077	-0.18%	95.31%
2008	1,152	15,857,201	13,765	2.73%	92.0	1:13.5	1:8.9	1:11.3	1,153	1,099	2.04%	95.32%
2009	1,195	15,758,836	13,187	-4.20%	97.0	1:14	1:15	1:10	1,185	1,127	2.78%	95.11%
2010	1,182	16,338,276	13,823	4.82%	98.5	1:16	1:13	1:13	1,143	1,106	-3.54%	96.76%
2011	1,159	16,592,373	14,316	3.57%	98.5	1:12	1:13	1:11	1,147	1,087	0.35%	94.77%
2012	1,159	17,033,402	14,697	2.66%	98.5	1:12	1:13	1:11	1,160	1,098	1.13%	94.66%
2013	1,140	18,237,874	15,998	8.86%	98.6	1:11	1:18	1:10	1,137	1,087	-1.98%	95.60%
2014	1,140	19,518,621	17,122	7.02%	112.2	1:11	1:10	1:9	1,134	1,087	-0.26%	95.86%
2015	1,200	19,933,503	16,611	-2.98%	110.1	1:10	12:00.0	1:11	1,182	1,141	4.23%	96.53%

Source: Wood-Ridge Borough School District records

Note: Enrollment based on annual average daily enrollment

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily Enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The cost per pupil calculated above is the sum of the operating expenditures divided by Enrollment. This cost per pupil may be different from other cost per pupil calculations.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
Catherine A. Doyle Elementary School (1952)										
Square Feet	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587
Capacity (students)	355	355	355	355	355	355	355	355	355	355
Enrollment	468	479	479	529	535	525	525	501	319	351
Wood-Ridge Intermediate School (2014)*										
Square Feet	N/A	37,725	37,725							
Capacity (students)	N/A	290	290							
Enrollment	N/A	279	267							
Ostrovsky Middle School (1958)**										
Square Feet	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738
Capacity (students)	244	244	244	244	244	244	244	244	244	244
Enrollment	241	231	231	239	247	263	263	282	192	198
Wood-Ridge High School (1923)										
Square Feet	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792
Capacity (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	422	420	420	427	400	371	371	357	357	366
Central Administration										
Square Feet	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531
Capacity (students)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Enrollment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Number of Schools at June 30, 2015

- Elementary =1
- Intermediate School = 1
- Middle School = 1
- High School = 1

Note: Enrollment is based on the average daily enrollment

* - Building Owned by Borough of Wood-Ridge. District leases the building for \$1 per year.

** - 2014 became part of the Wood-Ridge Junior and Senior High School

Source: Wood-Ridge Borough School District Facilities Office

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance For School Facilities
 11-000-261-xxx

<u>School Facilities</u>	<u>Project #</u>	<u>Fiscal Year Ended June 30,</u>									
		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Catherine A. Doyle Elementary School	N/A	\$ 100,224	\$ 116,042	\$ 102,789	\$ 86,042	\$ 84,769	\$ 115,075	\$ 120,686	\$ 136,079	\$ 84,601	\$ 121,924
Intermediate School	N/A									52,174	75,080
Ostrovsky Middle School	N/A	74,267	100,001	63,553	87,917	74,088	101,081	90,710	99,378	83,361	78,287
Wood-Ridge High School	N/A	135,918	152,396	160,071	110,643	105,650	127,723	116,832	121,058	85,313	85,224
Other	N/A							1,563	4,193		
Total School Facilities		\$ 310,409	\$ 368,439	\$ 326,413	\$ 284,602	\$ 264,507	\$ 343,879	\$ 329,791	\$ 360,708	\$ 305,449	\$ 360,515

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

Source: Wood-Ridge Borough School District records

Exhibit J-20

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	School Package Policy	\$ 40,557,042	\$ 2,500
	Building and Contents (All Locations)		
	Boiler and Machinery	\$ 100,000,000	\$ 2,500
	Comprehensive General Liability	\$ 5,000,000	\$ -0-
	Comprehensive Auto Liability	\$ 5,000,000	\$ 1,000
	School Board Legal Liability	\$ 5,000,000	\$ 10,000
	Employers Liability	\$ 1,000,000	\$ -0-
	Workers' Compensation	Statutory	\$ -0-
Hartford Fire Insurance Company	Surety Bonds		
	Board Secretary/Business Administrator - J. Murray	\$ 225,000	N/A
	Interim Business Administrator - T. Perez	\$ 225,000	N/A
	Interim Business Administrator - M. Resnick	\$ 225,000	N/A

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555

Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Borough School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable President and Members
of the Board of Education
Wood-Ridge Borough School District
Page 2

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 19, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555

Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

The Honorable President and Members
of the Board of Education
Wood-Ridge Borough School District
Page 2

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 19, 2015
Mount Arlington, New Jersey

NISIVOCIA LLP



Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or Federal Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Balance at June 30, 2015			
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
General Fund:											
U.S. Department of Health and Human Services											
Passed-Through State Department of Human Services:											
Medicaid Assistance Program - SEMI ARRA	93.778	N/A	10/01/08-12/31/10	\$ 7,468			\$ 7,468	\$ (7,468)			
Total U.S. Department of Health and Human Services							7,468	(7,468)			
Total General Fund							7,468	(7,468)			
Special Revenue Fund:											
U.S. Department of Education											
Passed-through State Department of Education:											
NCLB Consolidated:											
Title I	84.010A	NCLB4820-14	7/1/14-6/30/15	78,163			50,457	(72,620)	\$ 22,163		
Title I	84.010A	NCLB4820-13	9/1/13-6/30/14	54,246	\$ 49		49				
Title II - Part A	84.367A	NCLB4820-14	7/1/14-6/30/15	16,355			10,947	(11,445)	498		
Title III	84.365A	NCLB4820-13	9/1/13-6/30/14	3,348	1,549		1,750	(201)			
Special Education Cluster:											
I.D.E.A. Part B - Basic	84.027	IDEA4820-15	7/1/14-6/30/15	244,180			244,180	(244,180)			
I.D.E.A. Part B - Preschool	84.173	IDEA4820-14	7/1/14-6/30/15	10,956			10,956	(10,956)			
Total Special Education Cluster							255,136	(255,136)			
Total Special Revenue Fund and U.S. Department of Education					1,598		318,339	(339,402)	22,661		
Enterprise Fund:											
U.S. Department of Agriculture Passed-through State Department of Agriculture:											
Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	\$ 24,392			\$ 24,392	\$ (24,392)			
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	6,336			5,735	(6,336)	601		
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	93,502			88,309	(93,502)	5,193		
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	71,899	14,161		14,161				
Child Nutrition Cluster Subtotal					14,161		132,597	(124,230)	5,794		
Total Enterprise Fund and U.S. Department of Agriculture					14,161		132,597	(124,230)	5,794		
Total Federal Financial Awards					\$ 15,759	\$ -0-	\$ 458,404	\$ (471,100)	\$ 28,455	\$ -0-	\$ -0-

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Balance at June 30, 2015			
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education										
General Fund:										
Equalization Aid	15-495-034-5120-078	7/1/14 - 6/30/15	\$ 42,210			\$ 40,009	\$ (42,210)		\$ 2,201	\$ 42,210
Special Education Aid	15-495-034-5120-089	7/1/14 - 6/30/15	663,039			628,463	(663,039)		34,576	663,039
Security Aid	15-495-034-5120-084	7/1/14 - 6/30/15	18,978			17,988	(18,978)		990	18,978
Transportation Aid	15-495-034-5120-014	7/1/14 - 6/30/15	32,013			30,343	(32,013)		1,670	32,013
PARCC Readiness Aid	15-495-034-5120-098	7/1/14 - 6/30/15	10,940			10,370	(10,940)		570	10,940
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14 - 6/30/15	10,940			10,370	(10,940)		570	10,940
Extraordinary Special Education Costs	15-100-034-5120-473	7/1/14 - 6/30/15	208,153				(208,153)	\$ 208,153	208,153	208,153
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14 - 6/30/15	487,498			463,833	(487,498)	23,665	23,665	487,498
Equalization Aid	14-495-034-5120-078	7/1/13 - 6/30/14	42,210	\$ 488		488				42,210
Special Education Aid	14-495-034-5120-089	7/1/13 - 6/30/14	663,039	25,587		25,587				663,039
Security Aid	14-495-034-5120-084	7/1/13 - 6/30/14	18,978	732		732				18,978
Transportation Aid	14-495-034-5120-014	7/1/13 - 6/30/14	32,013	1,235		1,235				32,013
Extraordinary Special Education Costs	14-100-034-5120-473	7/1/13 - 6/30/14	229,562	229,562		229,562				229,562
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13 - 6/30/14	489,817	1,817		1,817				489,817
Total General Fund State Aid				259,421		1,460,797	(1,473,771)	231,818	272,395	2,949,390
Enterprise Fund										
State Department of Agriculture:										
State School Lunch Program	15-100-010-3350-023	7/1/14 - 6/30/15	3,901			3,696	(3,901)	205	205	3,901
State School Lunch Program	14-100-010-3350-023	7/1/13 - 6/30/14	3,331	545		545				3,331
Total Enterprise Fund				545		4,241	(3,901)	205	205	7,232
Total State Financial Awards				\$ 259,966	\$ - 0 -	\$ 1,465,038	\$ (1,477,672)	\$ 232,023	\$ 272,600	\$ 2,956,622

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Wood-Ridge Borough School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and capital projects fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant revenue in the Capital Projects Fund is recognized on the budgetary basis in the year of award while on a GAAP basis revenue is recognized based on grant expenditures and when reimbursement requests are submitted.

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is (\$12,535) for the General Fund, (\$4,821,960) for the Capital Projects Fund and (\$6,317) for the Special Revenue Fund (for which \$1,072 is for local assistance not included in the table on the following page). See Exhibit Note 1D for a reconciliation of revenue from the budgetary basis to the GAAP basis of accounting for the General, Capital Projects Fund and Special Revenue. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Post-Retirement Medical Benefits and Pension Contributions revenue of \$349,399 and \$554,672 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,468	\$ 2,365,307	\$ 2,372,775
Special Revenue Fund	334,157		334,157
Proprietary Fund	<u>124,230</u>	<u>3,901</u>	<u>128,131</u>
Total Financial Assistance	<u>\$ 465,855</u>	<u>\$ 2,369,208</u>	<u>\$ 2,835,063</u>

NOTE 4. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 5. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$4,821,960 from the Schools Development Authority (SDA) under the Educational Construction and Financing Act. As of June 30, 2015, \$-0- has been expended and \$-0- has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 were \$500,000.
- The thresholds used for distinguishing between Type A and Type B state programs was \$300,000.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2015 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District was determined to be a "low-risk" auditee under the provisions of section 530 of the federal Circular for state programs.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

State Program	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State Aid - Public:				
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 42,210	\$ 42,210
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	663,039	663,039
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	18,978	18,978
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	10,940	10,940
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	10,940	10,940

WOOD-RIDGE BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

There were no prior year audit findings.