

**BOROUGH OF WOODLAND PARK
SCHOOL DISTRICT
COUNTY OF PASSAIC, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**SCHOOL DISTRICT
OF THE
BOROUGH OF WOODLAND PARK**

**Woodland Park Board of Education
Woodland Park, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Borough of Woodland Park School District

Woodland Park, New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

**Borough of Woodland Park School District
Finance Department**

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INTRODUCTORY SECTION

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Woodland Park, NJ 07424

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Michele R. Pillari, Ed.D.
Superintendent

Thomas DiFluri
School Business Administrator
Board Secretary

Honorable President and
Members of the Board of
Education Woodland Park
School District County of
Passaic, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Woodland Park School District for the fiscal year ended June 30, 2016 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. 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 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 and a list of principal officials. The financial section includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** Woodland Park School District is an Independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Woodland Park Board of Education and all its schools constitute the District's reporting entity.

2) **STUDENT ENROLLMENT:** The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. As of October 15, 2014 student enrollment decreased to 1,112. The following details the changes in the student enrollment of the District over the last twelve years.

Fiscal Year	Student Enrollment	Percent Change
2015-2016	1097	(1.3%)
2014-2015	1112	(1.2%)
2013-2014	1126	(1%)
2012-2013	1138	0%
2011-2012	1137	1.42%
2010-2011	1121	2.46%
2009-2010	1094	3.8%
2008-2009	1054	2.8%
2007-2008	1025	.9%
2006-2007	1015	5.9%
2005-2006	958	2.6%
2004-2005	933	(.9%)

3) MAJOR INITIATIVES: Administrators and teachers continue to remain focused on the implementation of the New Jersey Learning Standards as well as the alignment of all curricula to these standards. Extensive staff development continues in the area of ELA specific to the implementation of Readers and Writers Workshop across all grade levels. Monies have been dedicated to the purchasing of additional leveled reading books for individual classroom libraries as well as the purchase of the Lucy Calkins Units of Study for teachers in grades K-5. Monies were used to continue to streamline resources across the district in areas of grammar and vocabulary. Kindergarten and first grade are implementing Wilson's Foundations. Staff development also continues in the area of mathematics specific to the use of various types of data to drive individualized instruction. New Science resources were purchased for grades 5-8. These materials better align with our newly revised curriculum and the Next Generation Science Standards. Each program in the major content areas has an online component which supports our technology initiative. In order to continue to prepare for online assessing, student and staff access to technology must be increased. Each grade 4 student has a laptop to work with as we begin our 1:1 technology initiative. Providing students with access to additional computers will allow the opportunity to participate in collaborative projects that investigate the real world. This initiative will enhance information processing skills, ensure students daily interaction with technology and maximize computer accessibility to build valuable skills for the classroom and the 21st century workplace. In addition, Star360 assist in identifying individual student academic needs and placement in programs such as Basic Skills, G&T and general classroom instruction.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAM)). The internal control structure 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 financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at fiscal year-end.

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

7) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity and flood.

8) **OTHER INFORMATION:**

Independent Audit State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo, & Cuva, CPA's, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Woodland Park 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. We would also like to express our appreciation to Mr, James Cerullo, CPA, RMA, partner in the firm of Ferraioli, Wielkotz, Cerullo & Cuva for his help and assistance in the preparation of the Woodland Park School District's Comprehensive Annual Financial Report. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff and all district stakeholders who participate annually in this process.

Respectfully submitted,

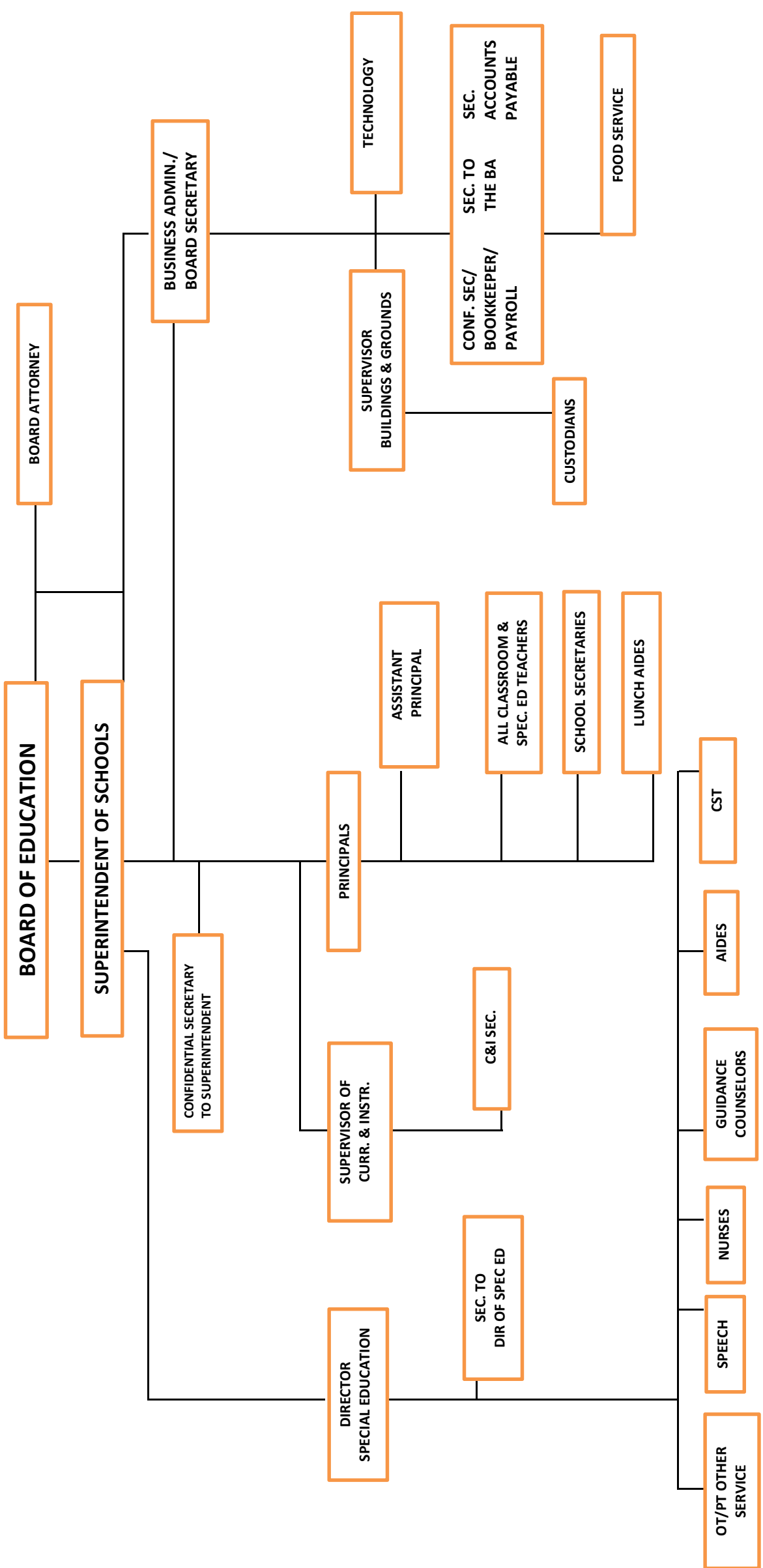
Michele R. Pillari

Michele R. Pillari, Ed.D.
Superintendent

Thomas DiFluri

Thomas DiFluri
Business Administrator

WOODLAND PARK BOARD OF EDUCATION
ORGANIZATIONAL CHART



BOROUGH OF WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2016

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Mark Salemi - President	2016
Maria Flynn, Vice President	2018
Dina Bargiel	2016
Thomas Bolen	2016
Ronald Pascrell	2017
Lisa Marshall	2017
Robert Kassai	2017
Maryann Perro	2018
JoAnne Mitchell	2018
<u>Other Officials</u>	
Dr. Michele Pillari, Superintendent	
Thomas DiFluri, Business Administrator/Board Secretary	
Heather Barkenbush, Treasurer	

**BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
WOODLAND PARK, NEW JERSEY**

CONSULTANTS AND ADVISORS

Architect

Commerro-Coppa
97 Lackawana Avenue
Totowa, NJ 07512

Audit Firm

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401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorneys

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238 St. Paul Street
Westfield, NJ 07090

Rogut McCarthy LLC
Counsellors at Law
37 Alden Street
Cranford, NJ 07016

Official Depository

Wells Fargo Bank
190 River Road
Summit, NJ 07901

PNC Bank, N.A.
One Garret Mountain Plaza
Paterson, NJ 07503

FINANCIAL SECTION

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Woodland Park School District
County of Passaic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Woodland Park School District, in the County of Passaic, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



Honorable President and
Members of the Board of Education
Page 2.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Woodland Park Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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



Honorable President and
Members of the Board of Education
Page 3.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2016 on our consideration of the Borough of Woodland Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of



Honorable President and
Members of the Board of Education
Page 4.

laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Woodland Park Board of Education's internal control over financial reporting and compliance.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

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

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

September 28, 2016



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

As management of the Woodland Park Board of Education (the “School District”), we offer readers of the School District’s financial statements this narrative overview and analysis of the financial activities of Woodland Park Board of Education for the fiscal year ended June 30, 2016.

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

FINANCIAL HIGHLIGHTS

- In total, net position decreased \$17,869.80 , which represents a 1.54% decrease from 2015. Net position of governmental activities decreased \$27,458.76 while net position of business-type activity increased by \$9,558.96. These variances are primarily the result of deficit in miscellaneous revenues and unexpended budget appropriations in 2015-16 and increased operating revenues of the business-type activities.
- General revenues accounted for \$20,200,265.38 in revenue or 94.52 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,172,187.06 or 5.48 percent of total revenues of \$21,372,452.44.
- The School District had \$20,842,674.94 in expenses related to governmental activities; only \$614,950.80 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$20,200,265.38 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

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

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Woodland Park Board of Education's finances, in a manner similar to a private-sector business.

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

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

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

Fund Financial Statements

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

Governmental Funds

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

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net positions were \$1,139,251.76 at June 30, 2016 and \$1,157,121.56 at June 30, 2015. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2016 compared to 2015 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$1,684,058.62	\$1,630,673.58	\$125,038.68	\$90,697.50	\$1,809,097.30	\$1,721,371.08
Capital Assets	<u>10,364,550.39</u>	<u>10,448,376.52</u>	<u>82,655.75</u>	<u>92,902.58</u>	<u>10,447,206.14</u>	<u>10,541,279.10</u>
Total Assets	<u>12,048,609.01</u>	<u>12,079,050.10</u>	<u>207,694.43</u>	<u>183,600.08</u>	<u>12,256,303.44</u>	<u>12,262,650.18</u>
Deferred Outflows	<u>771,529.00</u>	<u>296,482.00</u>	—	—	<u>771,529.00</u>	<u>296,482.00</u>
Other Liabilities	550,137.73	394,978.66	20,180.35	5,674.96	570,318.08	400,653.62
Long Term Liabilities	<u>10,972,139.00</u>	<u>10,571,497.00</u>	—	—	<u>10,972,139.00</u>	<u>10,571,497.00</u>
Total Liabilities	<u>11,522,276.73</u>	<u>10,966,475.66</u>	<u>20,180.35</u>	<u>5,674.96</u>	<u>11,542,457.08</u>	<u>10,972,150.62</u>
Deferred Inflows	<u>346,123.00</u>	<u>429,860.00</u>	—	—	<u>346,123.00</u>	<u>429,860.00</u>
Net Position						
Invested in Capital Assets-						
Net of Debt	4,824,902.92	4,181,679.85	82,655.75	92,902.58	4,907,558.67	4,274,582.43
Restricted	637,365.85	1,175,670.32	—	—	637,365.85	1,175,670.32
Unrestricted	<u>(4,510,531.09)</u>	<u>(4,378,153.73)</u>	<u>104,858.33</u>	<u>85,022.54</u>	<u>(4,405,672.76)</u>	<u>(4,293,131.19)</u>
Total Net Position	<u>\$951,737.68</u>	<u>\$979,196.44</u>	<u>\$187,514.08</u>	<u>\$177,925.12</u>	<u>\$1,139,251.76</u>	<u>\$1,157,121.56</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net positions for fiscal year 2016 compared to 2015.

**Table 2
Changes in Net Positions
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			\$261,184.14	\$244,521.30	\$261,184.14	\$244,521.30
Operating Grants and						
Contributions	\$614,950.80	\$601,199.29	296,052.12	290,980.99	911,002.92	892,180.28
General Revenues:						
Taxes:						
Property taxes	15,278,097.00	14,912,072.00			15,278,097.00	14,912,072.00
Federal and State Aid not						
Restricted	4,803,261.09	4,062,802.07			4,803,261.09	4,062,802.07
Miscellaneous Income	118,907.29	216,449.96			118,907.29	216,449.96
State Aid - Facilities Grant		<u>5,825.80</u>			<u>0.00</u>	<u>5,825.80</u>
Total Revenues and Transfers	<u>20,815,216.18</u>	<u>19,798,349.12</u>	<u>557,236.26</u>	<u>535,502.29</u>	<u>21,372,452.44</u>	<u>20,333,851.41</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Functions/Program Expenses						
Instruction:						
Regular	\$6,941,751.72	\$6,728,487.13			\$6,941,751.72	\$6,728,487.13
Special	2,238,935.53	2,281,932.33			2,238,935.53	2,281,932.33
Other Special Instruction	435,930.02	183,752.60			435,930.02	183,752.60
Support Services:						
Tuition	138,108.10	169,538.01			138,108.10	169,538.01
Student & Instruction Related Services	2,376,052.72	2,293,521.04			2,376,052.72	2,293,521.04
School Administrative Services	817,294.93	855,888.89			817,294.93	855,888.89
General Administrative Services	491,213.08	452,756.88			491,213.08	452,756.88
Central Services and Info. Tech.	485,259.57	467,164.46			485,259.57	467,164.46
Plant Operations and Maintenance	1,696,684.25	1,668,578.20			1,696,684.25	1,668,578.20
Pupil Transportation	508,039.56	490,025.15			508,039.56	490,025.15
Unallocated Benefits	3,895,104.88	3,146,944.77			3,895,104.88	3,146,944.77
Unallocated depreciation	460,963.15	444,553.61			460,963.15	444,553.61
Capital Outlay - Non Depreciable	19,244.29	39,244.20			19,244.29	39,244.20
Charter Schools	95,126.00	137,453.00			95,126.00	137,453.00
Interest on Long-Term Debt	242,967.14	254,060.11			242,967.14	254,060.11
Food Service			\$547,647.30	\$516,414.17	547,647.30	516,414.17
Total Expenses and Transfers	<u>20,842,674.94</u>	<u>19,613,900.38</u>	<u>547,647.30</u>	<u>516,414.17</u>	<u>21,390,322.24</u>	<u>20,130,314.55</u>
Increase or (Decrease) in Net Position	<u>(\$27,458.76)</u>	<u>\$184,448.74</u>	<u>\$9,588.96</u>	<u>\$19,088.12</u>	<u>(\$17,869.80)</u>	<u>\$203,536.86</u>

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$21,390,322.24. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$15,278,097.00 because some of the cost was paid by those who benefitted from the programs \$261,184.14, by other governments and organizations who subsidized certain programs with grants and contributions \$911,002.92, and by miscellaneous sources \$4,922,168.38.

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2016, the School District amended the budgets of these major governmental funds several times. The general fund was increased \$10,000.00 for utility costs and the special revenue fund was increased by \$106,865.00 for increases in federal grants.

General Fund

The general fund actual revenue was \$17,569,254.38. That amount is \$1,665,767.38 above the final amended budget of \$15,903,487.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,726,306.88 for TPAF pension and social security reimbursements and \$60,539.50 for deficits in other anticipated revenues.

The actual expenditures of the general fund were \$17,668,493.87 including transfers which is \$1,281,210.87 above the final amended budget of \$16,387,283.00. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$1,665,767.38 for TPAF pension and social security reimbursements and \$384,556.51 of unexpended budgeted funds.

General fund had total revenues of \$17,569,254.38, and total expenditures, including transfers out of \$17,668,493.87 with an ending fund balance of \$1,437,086.91 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$614,950.80. That amount is \$3,024.20 less than the final amended budget of \$617,975.00.

The actual expenditures of the special revenue fund were \$614,950.80, which is \$3,024.20 less than the final amended budget of \$617,975.00.

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016 the School District had \$16,016,330.28 invested in sites, buildings and equipment. Of this amount \$5,569,124.14 in depreciation has been taken over the years. We currently have a net book value of \$10,447,206.14. Total additions for the year were \$443,166.80, the majority of which was for various technology equipment and maintenance equipment, and building and site improvements. Table 3 shows fiscal year 2016 balances compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Construction-in-Progress	\$794,090.77	\$527,049.20			\$794,090.77	\$527,049.20
Land Improvements	9,199,068.87	846,450.92			9,199,068.87	846,450.92
Buildings and Improvements		8,611,882.76			0.00	8,611,882.76
Furniture, Equipment and Vehicles	371,390.75	462,993.64	\$82,655.75	\$92,908.58	454,046.50	555,902.22
	<u>\$10,364,550.39</u>	<u>\$10,448,376.52</u>	<u>\$82,655.75</u>	<u>\$92,908.58</u>	<u>\$10,447,206.14</u>	<u>\$10,541,285.10</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

Long Term Debt Administration

At June 30, 2016, the District had \$10,972,139.00 of long term debt. Of this amount, \$418,887.00 is for compensated absences; \$36,191.00 is for pension deferral; \$5,987,000.00 of serial bonds for school construction; and \$4,530,061.00 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2016</u>	<u>2015</u>
2010 General Obligation	\$5,777,000.00	\$5,852,000.00
2001 General Obligation	210,000.00	410,000.00
Total	<u>\$5,987,000.00</u>	<u>\$6,262,000.00</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (continued)**

For the Future

On November 8th, the Woodland Park Board of Education will ask the voters of Woodland Park to consider an important ballot question which would allow School #1 on McBride Ave. to re-open as a public school serving Kindergarten students in September 2017.

Currently, Memorial School is severely overcrowded. According to NJDOE facility standards, Memorial School has the functional capacity for 362 students, however, the school's enrollment consists of 510 students. The cafeteria and the library are being used as instructional space in order to accommodate the scheduling needs. Re-opening School #1 will allow for the alleviation of this overcrowding as well as provide for an appropriate learning environment which our children need and deserve.

If approved, the ballot question would appropriate \$495,000 in additional funding to operate the School #1 facility. Many of the improvements to the building have been completed in recent years and the Board of Education holds funding to complete any additional improvements in reserve. The funding would be used for two full time teachers, a school nurse, custodial staff and support staff, in addition to operation costs, such as utilities and maintenance. An existing member of the administrative staff would be assigned to duties of principal and teaching staff would be relocated to the new facility.

The re-opening of School #1 would allow for a realignment of our schools, as listed:

- Kindergarten students will be located at School #1
- 1st, 2nd and 3rd grade students will be located at Charles Olbon School.
- 4th and 5th grade students will be located at Beatrice Gilmore School.
- 6th, 7th and 8th grade students will be located at Memorial Middle School.

This realignment will alleviate the overcrowding, provide the much needed classroom space and eliminate the possibility of a costly referendum question in the future. A referendum could potentially cost three or four times the amount being requested in November.

The realignment of grade levels would move the 5th grade to Beatrice Gilmore School and create a true middle school at Memorial, consisting of 6th through 8th grades. This would create a more age appropriate environment at the middle school. In addition, School #1 would operate as an early childhood educational center. Ample space at School #1 will allow for the option to accommodate a general education Preschool in the future. Opening a general education Preschool will generate possible revenue to offset operating costs at School #1.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Thomas DiFluri, School Business Administrator/Board Secretary at tdifluri@wpschools.org or send to Woodland Park Board of Education, 853 McBride Avenue, Woodland Park, NJ 07004.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	968,668.10	108,240.17	1,076,908.27
Receivables, net	108,755.92	10,324.70	119,080.62
Inventory		6,473.81	6,473.81
Restricted Assets:			
Capital Reserve Account - Cash	606,634.00		606,634.00
Capital Assets:			
Other Capital Assets, net	10,364,550.39	82,655.75	10,447,206.14
Total Assets	<u>12,048,608.41</u>	<u>207,694.43</u>	<u>12,256,302.84</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS - Pension	<u>771,529.00</u>		<u>771,529.00</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	547,074.18	20,180.35	567,254.53
Payable to Federal Government	2,917.20		2,917.20
Payable to State Government	146.35		146.35
Noncurrent Liabilities:			
Due within one year	310,000.00		310,000.00
Due beyond one year	10,662,139.00		10,662,139.00
Total Liabilities	<u>11,522,276.73</u>	<u>20,180.35</u>	<u>11,542,457.08</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS - Pension	<u>346,123.00</u>		<u>346,123.00</u>
NET POSITION			
Invested in Capital Assets, net of Related Debt	4,824,902.92	82,655.75	4,907,558.67
Restricted for:			
Debt Service	2.36		2.36
Capital Projects	159,281.47		159,281.47
Other Purposes	478,082.02		478,082.02
Unrestricted (Deficit)	(4,510,531.09)	104,858.33	(4,405,672.76)
Total Net Position	<u>951,737.68</u>	<u>187,514.08</u>	<u>1,139,251.76</u>

See Accompanying Notes Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	5,566,488.67	1,375,263.06		558,355.80	(6,383,395.93)		(6,383,395.93)	
Special Education	1,722,145.80	516,789.73			(2,238,935.53)		(2,238,935.53)	
Other Special Instruction	335,025.16	100,904.86			(435,930.02)		(435,930.02)	
Support services:								
Tuition	138,108.10	-			(138,108.10)		(138,108.10)	
Student & Instruction Related Services	1,962,570.09	413,482.63		56,595.00	(2,319,457.72)		(2,319,457.72)	
School Administrative Services	595,876.47	221,418.46			(817,294.93)		(817,294.93)	
General Administrative Services	406,651.98	84,561.10			(491,213.08)		(491,213.08)	
Plant Operations and Maintenance	1,476,489.23	220,195.02			(1,696,684.25)		(1,696,684.25)	
Pupil Transportation	492,318.45	15,721.11			(508,039.56)		(508,039.56)	
Central Services & Admin. Info. Technology	392,372.80	92,886.77			(485,259.57)		(485,259.57)	
Unallocated Benefits	3,895,104.88	-			(3,895,104.88)		(3,895,104.88)	
Capital Outlay - Non-depreciable	19,244.29	-			(19,244.29)		(19,244.29)	
Charter Schools	95,126.00	-			(95,126.00)		(95,126.00)	
Interest on Long-term Debt	242,967.14	-			(242,967.14)		(242,967.14)	
Unallocated Depreciation	460,963.15	-			(460,963.15)		(460,963.15)	
Total Governmental Activities	17,801,452.21	3,041,222.73	-	614,950.80	(20,227,724.14)	-	(20,227,724.14)	
Business-type Activities:								
Food Service	547,647.30		261,184.14	296,052.12		9,588.96	9,588.96	
Total Business-type Activities	547,647.30		261,184.14	296,052.12		9,588.96	9,588.96	
Total Primary Government	18,349,099.51		261,184.14	911,002.92	(20,227,724.14)	9,588.96	(20,218,135.18)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					14,759,245.00		14,759,245.00	
Taxes Levied for Debt Service					518,852.00		518,852.00	
Federal and State Aid not Restricted					4,803,261.09		4,803,261.09	
Miscellaneous Income					118,907.29		118,907.29	
Total General Revenues, Special Items, Extraordinary Items and Transfers					20,200,265.38		20,200,265.38	
Change in Net Position					(27,458.76)	9,588.96	(17,869.80)	
Net Position—Beginning					979,196.44	177,925.12	1,157,121.56	
Net Position—Ending					951,737.68	187,514.08	1,139,251.76	

See Accompanying Notes Financial Statements.

FUND FINANCIAL STATEMENTS

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	965,748.54	2,917.20	2.36	968,668.10
Interfund Receivables	6,850.00			6,850.00
Receivables from Other Governments	101,905.92			101,905.92
Restricted Cash and Cash Equivalents	606,634.00			606,634.00
Total Assets	<u>1,681,138.46</u>	<u>2,917.20</u>	<u>2.36</u>	<u>1,684,058.02</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	300,709.70			300,709.70
Accrued Salaries & Benefits	21,736.50			21,736.50
Payable to Federal Government		2,917.20		2,917.20
Payable to State Government	146.35			146.35
Total Liabilities	<u>322,592.55</u>	<u>2,917.20</u>	<u>-</u>	<u>325,509.75</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	606,634.00			606,634.00
Excess Surplus	240,929.25			240,929.25
Excess Surplus -- Designated for Subsequent Year's Expenditures	237,152.77			237,152.77
Assigned to:				
Designated by the Board of Education for Subsequent Year's Expenditures	0.23			0.23
Debt Service Fund			2.36	2.36
Unassigned:				
General Fund	273,829.66			273,829.66
Total Fund Balances	<u>1,358,545.91</u>	<u>-</u>	<u>2.36</u>	<u>1,358,548.27</u>
Total Liabilities and Fund Balances	<u>1,681,138.46</u>	<u>2,917.20</u>	<u>2.36</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,888,651.88 and the accumulated depreciation is \$5,524,101.49.	10,364,550.39
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(47,661.98)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(176,966.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	771,529.00
Deferred Inflows of Resources Related to PERS Pension Liability	(346,123.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(10,972,139.00)</u>
Net position of governmental activities	<u>951,737.68</u>

See Accompanying Notes Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	14,759,245.00		518,852.00	15,278,097.00
Miscellaneous	118,907.29			118,907.29
Total - Local Sources	14,878,152.29	-	518,852.00	15,397,004.29
State Sources	2,640,328.88	-	-	2,640,328.88
Federal Sources	50,823.21	614,950.80		665,774.01
Total Revenues	<u>17,569,304.38</u>	<u>614,950.80</u>	<u>518,852.00</u>	<u>18,703,107.18</u>
EXPENDITURES				
Current:				
Regular Instruction	5,008,132.87	558,355.80		5,566,488.67
Special Education Instruction	1,722,145.80			1,722,145.80
Other Special Instruction	335,025.16			335,025.16
Support Services and Undistributed Costs:				
Tuition	138,108.10			138,108.10
Student & Instruction Related Services	1,905,975.09	56,595.00		1,962,570.09
School Administrative Services	595,876.47			595,876.47
General Administrative Services	406,651.98			406,651.98
Central Services & Admin. Info. Technology	392,372.80			392,372.80
Plant Operations and Maintenance	1,476,489.23			1,476,489.23
Pupil Transportation	492,318.45			492,318.45
Employee Benefits	4,637,860.83			4,637,860.83
Capital Outlay	462,411.09	-		462,411.09
Transfer to Charter School	95,126.00			95,126.00
Debt Service:				
Principal			275,000.00	275,000.00
Interest and Other Charges			243,851.26	243,851.26
Total Expenditures	<u>17,668,493.87</u>	<u>614,950.80</u>	<u>518,851.26</u>	<u>18,802,295.93</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(99,189.49)</u>	<u>-</u>	<u>0.74</u>	<u>(99,188.75)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-		-	-
Transfers out	-			-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(99,189.49)	-	0.74	(99,188.75)
Fund Balance—July 1	1,457,735.40	-	1.62	1,457,737.02
Fund Balance—June 30	<u>1,358,545.91</u>	<u>-</u>	<u>2.36</u>	<u>1,358,548.27</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF WOODLAND PARK 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, 2016

Total net change in fund balances - governmental funds (from B-2) (99,188.75)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(526,992.93)	
Depreciable Capital Outlays	<u>443,166.80</u>	(83,826.13)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Bond Principal	275,000.00
Pension Deferral Principal	3,326.00

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation. The change in the accrual is an adjustment in the reconciliation.

884.12

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in Compensated Absences Payable	(60,015.00)
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District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	173,496.00	
Less: Pension Expense	<u>(237,135.00)</u>	
(Increase)/Decrease in Pension Expense		(63,639.00)

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Pension	2,112,109.00
Increase in On-behalf TPAF Pension Expense	(2,112,109.00)

Change in net position of governmental activities (27,458.76)

See Accompanying Notes to Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	108,240.17	108,240.17
Accounts Receivable:		
State	234.13	234.13
Federal	10,090.57	10,090.57
Inventories	6,473.81	6,473.81
Total Current Assets	125,038.68	125,038.68
Noncurrent Assets:		
Capital Assets:		
Equipment	127,678.40	127,678.40
Less Accumulated Depreciation	(45,022.65)	(45,022.65)
Total Capital Assets (Net of Accumulated Depreciation)	82,655.75	82,655.75
Total Assets	207,694.43	207,694.43
LIABILITIES		
Current Liabilities:		
Accounts Payable	20,180.35	20,180.35
Total Liabilities	20,180.35	20,180.35
NET POSITION		
Invested in Capital Assets Net of Related Debt		
Unrestricted	82,655.75	82,655.75
Total Net Position	104,858.33	104,858.33
Total Net Position	187,514.08	187,514.08

See Accompanying Notes to Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	159,433.70	159,433.70
Daily Sales - Non-Reimbursable Programs	101,750.44	101,750.44
Total Operating Revenues	261,184.14	261,184.14
 Operating Expenses:		
Cost of Sales	236,177.18	236,177.18
Salaries	163,279.11	163,279.11
Uniforms	836.59	836.59
Supplies and Materials	22,592.29	22,592.29
Employee Benefits	26,661.87	26,661.87
Management Fee	26,827.22	26,827.22
Payroll Taxes	24,808.29	24,808.29
Worker's Compensation Insurance	15,049.58	15,049.58
Liability Insurance	1,770.91	1,770.91
Cleaning Repair & Maintenance	3,712.67	3,712.67
Purchased Services	10,651.39	10,651.39
Miscellaneous Expense	1,617.11	1,617.11
General Supplies	3,416.26	3,416.26
Depreciation	10,246.83	10,246.83
Total Operating Expenses	547,647.30	547,647.30
Operating Income (Loss)	(286,463.16)	(286,463.16)
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	6,140.21	6,140.21
Federal Sources:		
National School Lunch Program	231,602.82	231,602.82
School Breakfast Program	20,590.96	20,590.96
Food Distribution Program	37,718.13	37,718.13
Total Nonoperating Revenues (Expenses)	296,052.12	296,052.12
Income (Loss) Before Contributions & Transfers	9,588.96	9,588.96
 Transfers In (Out)	-	-
Change in Net Position	9,588.96	9,588.96
Total Net Position—Beginning	177,925.12	177,925.12
Total Net Position—Ending	187,514.08	187,514.08

See Accompanying Notes to Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	261,184.14	261,184.14
Payments to Suppliers	(14,367.93)	(14,367.93)
Payments for Miscellaneous Expenses	(236.76)	(236.76)
Payments to Food Service Management Company	(468,243.13)	(468,243.13)
Net Cash Provided by (Used for) Operating Activities	(221,663.68)	(221,663.68)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	6,272.09	6,272.09
Federal Sources	258,822.76	258,822.76
Net Cash Provided by (Used for) Non-Capital Financing Activities	265,094.85	265,094.85
Net Increase (Decrease) in Cash and Cash Equivalents	43,431.17	43,431.17
Balances—Beginning of Year	64,809.00	64,809.00
Balances—End of Year	108,240.17	108,240.17
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(286,463.16)	(286,463.16)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities		
Depreciation and Net Amortization	10,246.83	10,246.83
Food Distribution Program Donated Commodities	37,718.13	37,718.13
(Increase) Decrease in Inventories	2,329.13	2,329.13
Increase (Decrease) in Accounts Payable	14,505.39	14,505.39
Total Adjustments	64,799.48	64,799.48
Net Cash Provided by (Used for) Operating Activities	(221,663.68)	(221,663.68)

See Accompanying Notes to Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	123,972.34	362,800.03
Total Assets	123,972.34	362,800.03
LIABILITIES		
Payable to Student Groups		67,174.41
Interfunds Payable		6,850.00
Employee's Flexible Spending Account		47.76
Payroll Deductions and Withholdings		288,727.86
Total Liabilities	-	362,800.03
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	123,972.34	

See Accompanying Notes Financial Statements.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	16,552.58
Total Contributions	<u>16,552.58</u>
Total Additions	<u>16,552.58</u>
DEDUCTIONS	
Quarterly Contribution Reports	6,408.52
Total Deductions	<u>6,408.52</u>
Change in Net Position	10,144.06
Net Position—Beginning of the Year	<u>113,828.28</u>
Net Position—End of the Year	<u><u>123,972.34</u></u>

See Accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education (“Board”) of the Borough of Woodland Park School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Woodland Park School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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 whether:

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

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

B. Measurement Focus:

District-wide Financial Statements

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

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

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

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

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

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

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

Expenses/Expenditures

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did make material supplemental budgetary appropriations during the fiscal year. Surplus funds of \$10,000.00 was appropriated for utility costs.

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

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

E. Encumbrances:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Encumbrances: (continued)

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

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

F. Cash, Cash Equivalents and Investments:

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

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

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

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

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

H. Tuition Revenues/Receivable:

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

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

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

K. Capital Assets:

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Capital Assets: (continued)

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

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

L. Compensated Absences:

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

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

M. Unearned Revenue:

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

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

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

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

N. Accrued Liabilities and Long-term Obligations: (continued)

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

O. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accounting and Financial Reporting for Pensions, (continued)

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

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

P. Deferred Outflows/Inflows of Resources

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. Fund Balances:

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

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Net Position:

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

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

S. Operating Revenues and Expenses:

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

T. Extraordinary and Special Items:

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

U. Allocation of Indirect Expenses:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. Use of Estimates:

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

W. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement is effective for fiscal years beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

W. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

W. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participation*, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2016, \$-0- of the District's bank balance of \$2,448,623.85 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 4. RECEIVABLES:

Receivables at June 30, 2016, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$79,859.00	\$234.13	\$80,093.13
Federal Aid	22,046.92	10,090.57	32,137.49
Interfunds	<u>6,850.00</u>	<u> </u>	<u>6,850.00</u>
Gross Receivables	108,755.92	10,324.70	119,080.62
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$108,755.92</u>	<u>\$10,324.70</u>	<u>\$119,080.62</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY:

Interfunds outstanding at June 30, 2016 consisted of \$6,850.00 due from the Fiduciary Fund to the General Fund for short-term loans. It is expected that the Interfund will be eliminated in the next year.

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance 6/30/15	Additions	Deductions	Balance 6/30/16
Governmental Activities				
Capital Assets Not Being Depreciated -				
Construction-in-Progress	\$527,049.20	\$20,000.00	\$(547,049.20)	\$0.00
Capital Assets Being Depreciated				
Land Improvements	1,205,527.90			1,205,527.90
Buildings and Improvements	12,689,645.10	413,916.80	547,049.20	13,650,611.10
Furniture, Equipment and Vehicles	<u>1,023,262.88</u>	<u>9,250.00</u>	<u> </u>	<u>1,032,512.88</u>
Total Capital Assets, Being Depreciated	<u>14,918,435.88</u>	<u>423,166.80</u>	<u>547,049.20</u>	<u>15,888,651.88</u>
Less Accumulated Depreciation:				
Land Improvements	(359,076.98)	(52,360.15)		(411,437.13)
Buildings and Improvements	(4,077,762.34)	(373,779.89)		(4,451,542.23)
Furniture, Equipment and Vehicles	<u>(560,269.24)</u>	<u>(100,852.89)</u>	<u> </u>	<u>(661,122.13)</u>
Total Accumulated Depreciation	<u>(4,997,108.56)</u>	<u>(526,992.93)</u>	<u> </u>	<u>(5,524,101.49)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,921,327.32</u>	<u>(103,826.13)</u>	<u>547,049.20</u>	<u>10,364,550.39</u>
Governmental Activities Capital Assets, Net	<u>\$10,448,376.52</u>	<u>(\$83,826.13)</u>	<u>\$ </u>	<u>\$10,364,550.39</u>

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 6. CAPITAL ASSETS: (continued)

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/16</u>
Business-Type Activity				
Furniture and Equipment	\$127,678.40	\$ _____	\$ _____	\$127,678.40
Totals	<u>127,678.40</u>	<u>_____</u>	<u>_____</u>	<u>127,678.40</u>
Less Accumulated Depreciation				
Furniture and Equipment	(34,775.82)	(10,246.83)	_____	(45,022.65)
Total Accumulated Depreciation	<u>(34,775.82)</u>	<u>(10,246.83)</u>	<u>_____</u>	<u>(45,022.65)</u>
Business-Type Activity Capital Assets, Net	<u>\$92,902.58</u>	<u>(\$10,246.83)</u>	<u>\$ _____</u>	<u>\$82,655.75</u>

Depreciation expense was charged governmental functions as follows:

Instructional	\$7,024.00
School Administrative Services	42,532.74
Plant Operations and Maintenance	16,473.04
Unallocated Depreciation	<u>460,963.15</u>
	<u>\$526,992.93</u>

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2016 were as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One year</u>
Compensated Absences Payable	\$358,872.00	\$99,762.65	(\$39,747.65)	\$418,887.00	\$
Pension Deferral	39,517.00		(3,326.00)	36,191.00	
Net Pension Liability	3,911,108.00	618,953.00		4,530,061.00	
Bonds Payable	<u>6,262,000.00</u>	<u>_____</u>	<u>(275,000.00)</u>	<u>5,987,000.00</u>	<u>310,000.00</u>
	<u>\$10,571,497.00</u>	<u>\$718,715.65</u>	<u>(\$318,073.65)</u>	<u>\$10,972,139.00</u>	<u>\$310,000.00</u>

Compensated absences have been liquidated in the general fund.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

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.

Outstanding bonds payable at June 30, 2016 consisted of the following:

<u>Issue</u>	<u>Original Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2016</u>
School Bond Series 2001	\$2,265,000.00	12/15/2001	4.375%-4.75%	12/15/2016	\$210,000.00
School Bond Series 2010	6,102,000.00	4/15/2010	2.000%-4.125%	4/15/2030	<u>5,777,000.00</u>
					<u>\$5,987,000.00</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$310,000.00	\$231,770.00	\$541,770.00
2018	325,000.00	223,657.50	548,657.50
2019	340,000.00	213,095.00	553,095.00
2020	360,000.00	201,195.00	561,195.00
2021	375,000.00	186,795.00	561,795.00
2022-2026	2,160,000.00	694,775.00	2,854,775.00
2027-2030	<u>2,117,000.00</u>	<u>219,780.00</u>	<u>2,336,780.00</u>
	<u>\$5,987,000.00</u>	<u>\$1,971,067.50</u>	<u>\$7,958,067.50</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016 the Board had \$0.00 of authorized but not issued bonds.

C. Capital Leases

The District had no capital leases outstanding at June 30, 2016.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

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

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/16	\$173,496.00	\$21,761.85
6/30/15	172,211.00	20,504.50
6/30/14	181,583.00	13,273.54

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

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u> 6/30/16	<u>Contributions</u> \$531,982.00	<u>Contributions</u> \$664,997.00	<u>Premium</u> \$26,500.00
6/30/15	349,015.00	593,925.00	25,110.00
6/30/14	275,773.00	492,075.00	24,342.00

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$502,827.88 during the year ended June 30, 2016 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$4,530,061.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.0201802468 percent, which was a decrease of 0.0007093715 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$237,135.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$486,492.00	\$
Difference in actual and expected experience	108,071.00	
Net difference between projected and actual earnings on pension plan investments		72,835.00
Changes in proportion and differences between District contributions and proportionate share of contributions		273,288.00
District contributions subsequent to the measurement date (estimated)	<u>176,966.00</u>	<u> </u>
Total	<u>\$771,529.00</u>	<u>\$346,123.00</u>

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

The \$176,966.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$94,981.00
2018	94,981.00
2019	151,272.00
2020	85,514.00

Additional Information

Local Group Collective balances at June 30, 2015 and 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's Proportion	0.0201802468%	0.0208896183%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
Reit	4.25%	5.12%
	<u>100.00%</u>	

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. 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 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1 -percentage-point higher than the current rate:

	<u>June 30, 2015</u>		
	<u>1%</u> Decrease	<u>At Current</u> Discount Rate	<u>1%</u> Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the pension liability	\$5,630,312.00	\$4,530,061.00	\$3,607,619.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>43,737,878.00</u>
	<u>\$43,737,878.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was 0.0692008272%.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$2,670,591.00 for contributions provided by the State in the District-Wide Financial Statements.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. 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 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 8. PENSION PLANS: (continued)

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

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

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

NOTE 9. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 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 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

NOTE 10. DEFERRED COMPENSATION:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 10. DEFERRED COMPENSATION: (continued)

AETNA Life Insurance	Valic
AIG Sun America	Vanguard Group
Security First Group	

NOTE 11. RISK MANAGEMENT:

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the School Alliance Insurance Fund (the "Fund"). The Fund provides its members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker's Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District's established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at 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 Funds are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. However, this Fund has fully reinsured the exposures above all limits subscribed to by its members. The Funds can declare and distribute dividends to members upon arrival of the State of New Jersey Department of 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.

Financial statements for the Funds are available at the office of the Fund's administrator, 51 Everette Drive, suite 105B, Lawrenceville, New Jersey 08646.

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 11. RISK MANAGEMENT: (continued)

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$0.00	\$16,552.58	\$6,408.52	\$123,972.34
2014-2015	\$0.00	16,182.05	4,949.95	113,828.28
2013-2014	0.00	14,660.58	46,400.80	102,596.18

NOTE 12. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Borough of Woodland Park Board of Education by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$756,634.00
Deposits	<u>100,000.00</u>
	856,634.00
Withdrawals	<u>250,000.00</u>
Ending balance, June 30, 2016	<u>\$606,634.00</u>

The balance in the capital reserve account at June 30, 2016 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$1,358,545.91 General Fund fund balance at June 30, 2016, \$0.00 is reserved for encumbrances; \$478,082.02 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$237,152.77 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$606,634.00 has been reserved in the Capital Reserve Account; \$.23 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; and \$273,829.66 is unreserved and undesignated. During the fiscal year, authorized and approved appropriations of \$10,000.00 surplus was made on October 19, 2015.

Debt Service Fund - Of the \$2.36 Debt Service Fund fund balance at June 30, 2016, \$1.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; and \$1.36 is unreserved and undesignated.

NOTE 14. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$478,082.02. Of this amount, \$240,929.25 is the result of the current year's operations and \$237,152.77 is the result of prior year operations.

NOTE 15. LEASES - PROPERTY RENTALS

The school district is leasing property as Public School #1 to Windsor Academy, Inc. and School Age Children, Inc. The premises were leased for an initial term of two (3) years to commence on November 1, 2006 and to end on October 31, 2009. On March 11, 2009, the Lessee exercised their option to review this lease for a 2nd three (3) year period under the same terms and conditions. The lease was terminated on June 30, 2016. The rent received for the year ended June 30, 2016 from School Age Children, Inc. was \$16,439.00.

The Lessee covenants and agrees to pay to the Lessor, as rent for and during the first year of the term hereof, the sum of \$10,000.00 per month, beginning on November 1, 2006, which sum is payable on the first day of each month thereafter. On November 1, 2007 and November 1 of each subsequent year, the monthly rental payment will be increased by the percentage increase of the Consumer Price Index for New York-Northern New Jersey. This lease was terminated on October 31, 2015. This lease was terminated on October 31, 2015. The rent received for the year ended June 30, 2016 from Windsor Academy, Inc. was \$44,656.00.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2016**

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$4,610.66
Supplies	<u>1,863.15</u>
	<u>\$6,473.81</u>

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

NOTE 17. CONTINGENT LIABILITIES:

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

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

NOTE 18. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through September 28, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	14,759,245.00		14,759,245.00	14,759,245.00	-
Miscellaneous	190,000.00		190,000.00	118,907.29	(71,092.71)
Total - Local Sources	<u>14,949,245.00</u>	<u>-</u>	<u>14,949,245.00</u>	<u>14,878,152.29</u>	<u>(71,092.71)</u>
State Sources:					
Transportation Aid	17,240.00		17,240.00	17,240.00	-
Special Education Categorical Aid	661,107.00		661,107.00	661,107.00	-
Under Adequacy Aid	75,596.00		75,596.00	75,596.00	-
Security Aid	57,350.00		57,350.00	57,350.00	-
PARCC Readiness Aid	11,410.00		11,410.00	11,410.00	-
Per Pupil Growth Aid	11,410.00		11,410.00	11,410.00	-
Extraordinary Aid	100,000.00		100,000.00	68,379.00	(31,621.00)
Other State Aid - Reimburse Nonpublic School Transportation			-	11,480.00	11,480.00
On-behalf TPAF Pension Contributions			-	531,982.00	531,982.00
On-behalf TPAF NCGI Premium (non-budgeted)			-	26,500.00	26,500.00
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	664,997.00	664,997.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	502,827.88	502,827.88
Total - State Sources	<u>934,113.00</u>	<u>-</u>	<u>934,113.00</u>	<u>2,640,278.88</u>	<u>1,706,165.88</u>
Federal Sources:					
Medical Assistance Program	20,129.00		20,129.00	50,823.21	30,694.21
Total - Federal Sources	<u>20,129.00</u>	<u>-</u>	<u>20,129.00</u>	<u>50,823.21</u>	<u>30,694.21</u>
TOTAL REVENUES	<u>15,903,487.00</u>	<u>-</u>	<u>15,903,487.00</u>	<u>17,569,254.38</u>	<u>1,665,767.38</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	462,050.00	(50,000.00)	412,050.00	398,320.00	13,730.00
Grades 1-5 - Salaries of Teachers	2,115,949.00	(8,224.00)	2,107,725.00	2,100,224.78	7,500.22
Grades 6-8 - Salaries of Teachers	2,125,377.00	(185,916.57)	1,939,460.43	1,939,433.69	26.74
Regular Programs - Home Instruction:					
Salaries of Teachers	12,000.00		12,000.00	9,238.14	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	43,940.00		43,940.00	38,163.03	5,776.97
Unused Vacation Payment to Terminated/Retired Staff	38,000.00	(38,000.00)	-	-	-
Purchased Professional-Educational Services	10,500.00	355.00	10,855.00	10,855.00	-
Purchased Technical Services	84,015.00	33,200.00	117,215.00	92,575.70	24,639.30
General Supplies	306,671.00	(84,435.42)	222,235.58	222,234.62	0.96
Textbooks	25,001.00	173,700.00	198,701.00	197,087.91	1,613.09
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,223,503.00</u>	<u>(159,320.99)</u>	<u>5,064,182.01</u>	<u>5,008,132.87</u>	<u>56,049.14</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	282,770.00	100,000.00	382,770.00	379,813.30	2,956.70
Other Salaries for Instruction	212,868.00	(18,000.00)	194,868.00	194,500.55	367.45
General Supplies	10,060.00		10,060.00	5,734.45	4,325.55
Total Learning and/or Language Disabilities	<u>505,698.00</u>	<u>82,000.00</u>	<u>587,698.00</u>	<u>580,048.30</u>	<u>7,649.70</u>
Resource Room/Resource Center:					
Salaries of Teachers	566,630.00	(121,568.00)	445,062.00	445,061.07	0.93
General Supplies	3,000.00	900.00	3,900.00	2,178.54	1,721.46
Total Resource Room/Resource Center	<u>569,630.00</u>	<u>(120,668.00)</u>	<u>448,962.00</u>	<u>447,239.61</u>	<u>1,722.39</u>
Autism:					
Salaries of Teachers	190,854.00	66,001.73	256,855.73	256,855.33	0.40
Other Salaries for Instruction	174,157.00	9,309.00	183,466.00	183,465.99	0.01
General Supplies	6,000.00	10,161.00	16,161.00	16,160.99	0.01
Total Autism	<u>371,011.00</u>	<u>85,471.73</u>	<u>456,482.73</u>	<u>456,482.31</u>	<u>0.42</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	90,172.00	6,949.00	97,121.00	97,120.67	0.33
Other Salaries for Instruction	67,219.00	10,638.00	77,857.00	77,856.29	0.71
General Supplies	2,550.00	2,062.00	4,612.00	3,924.80	687.20
Total Preschool Disabilities - Part-Time	<u>159,941.00</u>	<u>19,649.00</u>	<u>179,590.00</u>	<u>178,901.76</u>	<u>688.24</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers		33,424.00	33,424.00	33,423.50	0.50
Other Salaries for Instruction		26,051.00	26,051.00	26,050.32	0.68
Total Preschool Disabilities - Full-Time	<u>-</u>	<u>59,475.00</u>	<u>59,475.00</u>	<u>59,473.82</u>	<u>1.18</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,606,280.00</u>	<u>125,927.73</u>	<u>1,732,207.73</u>	<u>1,722,145.80</u>	<u>10,061.93</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	164,138.00	67,518.92	231,656.92	231,398.10	258.82
General Supplies	3,000.00		3,000.00	1,407.26	1,592.74
Total Basic Skills/Remedial - Instruction	<u>167,138.00</u>	<u>67,518.92</u>	<u>234,656.92</u>	<u>232,805.36</u>	<u>1,851.56</u>
Bilingual Education - Instruction					
Salaries of Teachers	63,570.00	35,820.00	99,390.00	99,389.58	0.42
General Supplies	2,000.00	831.00	2,831.00	2,830.22	0.78
Total Bilingual Education - Instruction	<u>65,570.00</u>	<u>36,651.00</u>	<u>102,221.00</u>	<u>102,219.80</u>	<u>1.20</u>
TOTAL INSTRUCTION	<u>7,062,491.00</u>	<u>70,776.66</u>	<u>7,133,267.66</u>	<u>7,065,303.83</u>	<u>67,963.83</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	308,897.00	(244,770.00)	64,127.00	63,270.00	857.00
Tuition to Private Schools for the Disabled - Within State	112,728.00	(37,889.00)	74,839.00	74,838.10	0.90
Total Undistributed Expenditures - Instruction:	<u>421,625.00</u>	<u>(282,659.00)</u>	<u>138,966.00</u>	<u>138,108.10</u>	<u>857.90</u>
Undist. Expend. - Health Services					
Salaries	218,176.00	14,849.00	233,025.00	233,024.85	0.15
Purchased Professional and Technical Services	8,740.00		8,740.00	7,849.91	890.09
Supplies and Materials	9,800.00	1,148.00	10,948.00	10,947.63	0.37
Total Undistributed Expenditures - Health Services	<u>236,716.00</u>	<u>15,997.00</u>	<u>252,713.00</u>	<u>251,822.39</u>	<u>890.61</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	225,855.00	52,000.00	277,855.00	277,163.50	691.50
Purchased Professional - Educational Services	371,489.00	(131,778.65)	239,710.35	239,624.46	85.89
Supplies and Materials	4,100.00		4,100.00	2,432.91	1,667.09
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	<u>601,444.00</u>	<u>(79,778.65)</u>	<u>521,665.35</u>	<u>519,220.87</u>	<u>2,444.48</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Services					
Salaries	87,510.00		87,510.00	59,274.09	28,235.91
Total Undist. Expend. - Other Supp. Serv. Students-Extra Serv.	<u>87,510.00</u>	<u>-</u>	<u>87,510.00</u>	<u>59,274.09</u>	<u>28,235.91</u>
Undist. Expend. - Other Supp. Serv. Students-Regular - Guidance					
Salaries of Other Professional Staff	149,710.00		149,710.00	149,181.15	528.85
Salaries of Secretarial and Clerical Assistants	51,835.00		51,835.00	51,835.00	-
Other Purchased Services (400-500 series)	15,100.00		15,100.00	13,502.50	1,597.50
Supplies and Materials	11,750.00	(3,700.00)	8,050.00	5,935.84	2,114.16
Total Undist. Expend. - Other Supp. Serv. Students-Regular - Guidance	<u>228,395.00</u>	<u>(3,700.00)</u>	<u>224,695.00</u>	<u>220,454.49</u>	<u>4,240.51</u>
Undist. Expend. - Other Supp. Serv. Students-Special - Child Study Team					
Salaries of Other Professional Staff	349,270.00	2,285.00	351,555.00	351,555.00	-
Salaries of Secretarial and Clerical Assistants	51,208.00	1.00	51,209.00	51,208.08	0.92
Other Purchased Prof. and Tech. Services	19,600.00		19,600.00	10,237.23	9,362.77
Supplies and Materials	10,620.00		10,620.00	7,033.04	3,586.96
Total Undist. Expend. - Other Supp. Serv. Students-Special - CST	<u>430,698.00</u>	<u>2,286.00</u>	<u>432,984.00</u>	<u>420,033.35</u>	<u>12,950.65</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	95,000.00		95,000.00	93,000.00	2,000.00
Salaries of Secretarial and Clerical Assistants	45,569.00		45,569.00	44,951.21	617.79
Other Purch Services (400-500)	6,000.00	3,100.00	9,100.00	2,320.00	6,780.00
Supplies and Materials	1,000.00	462.00	1,462.00	1,461.52	0.48
Total Undist. Expend. - Improvement of Inst. Services	<u>147,569.00</u>	<u>3,562.00</u>	<u>151,131.00</u>	<u>141,732.73</u>	<u>9,398.27</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	58,710.00		58,710.00	44,291.42	14,418.58
Other Purchased Services (400-500 series)	199,148.00	(1,300.00)	197,848.00	189,068.12	8,779.88
Supplies and Materials	26,500.00		26,500.00	11,149.25	15,350.75
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>284,358.00</u>	<u>(1,300.00)</u>	<u>283,058.00</u>	<u>244,508.79</u>	<u>38,549.21</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv	28,000.00	26,000.00	54,000.00	48,928.38	5,071.62
Total Undist. Expend. - Instructional Staff Training Serv.	<u>28,000.00</u>	<u>26,000.00</u>	<u>54,000.00</u>	<u>48,928.38</u>	<u>5,071.62</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	220,755.00		220,755.00	227,492.12	(6,737.12)
Legal Services	70,000.00		70,000.00	49,717.20	20,282.80
Audit Fees	20,500.00		20,500.00	20,400.00	100.00
Communications/Telephone	57,992.00	(2,892.24)	55,099.76	42,723.26	12,376.50
BOE Other Purchased Services	6,300.00	533.00	6,833.00	6,832.74	0.26
Other Purchased Services (400-500 series)	43,296.00	2,678.00	45,974.00	45,973.69	0.31
General Supplies	9,900.00		9,900.00	6,330.02	3,569.98
BOE Membership Dues and Fees	8,600.00		8,600.00	7,182.95	1,417.05
Total Undist. Expend. - Supp. Serv. - General Administration	<u>437,343.00</u>	<u>318.76</u>	<u>437,661.76</u>	<u>406,651.98</u>	<u>31,009.78</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	450,383.00		450,383.00	416,904.60	33,478.40
Salaries of Secretarial and Clerical Assistants	171,807.00	105.00	171,912.00	169,520.98	2,391.02
Other Purchased Services (400-500 series)	6,770.00		6,770.00	6,235.00	535.00
Supplies and Materials	9,000.00		9,000.00	3,215.89	5,784.11
Total Undist. Expend. - Support Serv. - School Administration	<u>637,960.00</u>	<u>105.00</u>	<u>638,065.00</u>	<u>595,876.47</u>	<u>42,188.53</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	304,150.00	353.00	304,503.00	304,502.64	0.36
Purchased Technical Services	52,750.00	3,107.00	55,857.00	55,856.39	0.61
Misc. Pur Serv (400-500 series Other than Resid. Costs)	11,150.00	5,251.00	16,401.00	16,400.64	0.36
Supplies and Materials	8,500.00	(861.00)	7,639.00	6,665.58	973.42
Undist. Expend. - Central Services	<u>376,550.00</u>	<u>7,850.00</u>	<u>384,400.00</u>	<u>383,425.25</u>	<u>974.75</u>
Undist. Expend. - Admin. Info. Technology					
Purchased Technical Services	7,150.00	(6,626.86)	523.14		523.14
Supplies and Materials	6,000.00	2,948.00	8,948.00	8,947.55	0.45
Undist. Expend. - Admin. Info. Technology	<u>13,150.00</u>	<u>(3,678.86)</u>	<u>9,471.14</u>	<u>8,947.55</u>	<u>523.59</u>
Undist. Expend. - Required Maint. for School Facilities					
Salaries	161,972.00		161,972.00	159,162.56	2,809.44
Cleaning, Repair and Maintenance Services	164,452.00	13,721.00	178,173.00	178,172.18	0.82
General Supplies	17,524.00		17,524.00	14,910.43	2,613.57
Total Undist. Expend. - Required Maint. for School Facilities	<u>343,948.00</u>	<u>13,721.00</u>	<u>357,669.00</u>	<u>352,245.17</u>	<u>5,423.83</u>
Undist. Expend. - Custodial Services					
Salaries	509,725.00	2,783.00	512,508.00	508,681.57	3,826.43
Salaries of Non - Instructional Aides	85,117.00		85,117.00	81,679.54	3,437.46
Purchased Professional and Technical Services	29,658.00		29,658.00	24,210.28	5,447.72
Cleaning, Repair and Maintenance Services	11,800.00	32,857.00	44,657.00	43,720.88	936.12
Other Purchased Property Services	12,900.00	300.00	13,200.00	12,096.76	1,103.24
Insurance	99,000.00	(6,100.00)	92,900.00	92,852.00	48.00
General Supplies	69,000.00	9,217.00	78,217.00	78,216.39	0.61
Energy (Natural Gas)	95,000.00	486.00	95,486.00	73,136.25	22,349.75
Energy (Electricity)	150,000.00	486.00	150,486.00	138,041.32	12,444.68
Total Undist. Expend. - Custodial Services	<u>1,062,200.00</u>	<u>40,029.00</u>	<u>1,102,229.00</u>	<u>1,052,634.99</u>	<u>49,594.01</u>
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	20,800.00	3,818.00	24,618.00	24,617.64	0.36
General Supplies	5,000.00	9,550.00	14,550.00	11,531.43	3,018.57
Total Undist. Expend. - Care & Upkeep of Grounds	<u>25,800.00</u>	<u>13,368.00</u>	<u>39,168.00</u>	<u>36,149.07</u>	<u>3,018.93</u>
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	36,350.00		36,350.00	35,460.00	890.00
Total Undist. Expend. - Security	<u>36,350.00</u>	<u>-</u>	<u>36,350.00</u>	<u>35,460.00</u>	<u>890.00</u>
Total Undist. Expend. - Operations & Maint. Of Plant Services	<u>1,468,298.00</u>	<u>67,118.00</u>	<u>1,535,416.00</u>	<u>1,476,489.23</u>	<u>58,926.77</u>
Undist. Expend. - Student Transportation Services					
Contracted Services - Aid in Lieu Payments-Non Public Schools	69,560.00		69,560.00	51,537.14	18,022.86
Contracted Services (Between Home and School)-Vendors	100,600.00	6,155.00	106,755.00	106,754.32	0.68
Contracted Services (Between Home and School)-Jointures	24,000.00	(206.00)	23,794.00	22,372.20	1,421.80
Contracted Services (Special Ed. Students)-ESCs & CTAs	335,000.00		335,000.00	311,654.79	23,345.21
Total Undist. Expend. - Student Transportation Services	<u>529,160.00</u>	<u>5,949.00</u>	<u>535,109.00</u>	<u>492,318.45</u>	<u>42,790.55</u>
UNALLOCATED BENEFITS					
Social Security Contributions	210,000.00	10,260.00	220,260.00	220,259.88	0.12
Other Retirement Contributions - PERS	206,851.00	(33,355.00)	173,496.00	173,496.00	-
Other Retirement Contributions - Deferred Pension Contribution	7,629.00	47.00	7,676.00	7,676.00	-
Other Retirement Contributions - Regular	13,000.00	8,762.00	21,762.00	21,761.85	0.15
Workmen's Compensation	126,000.00	6,300.00	132,300.00	132,206.00	94.00
Health Benefits	2,359,000.00	(18,966.00)	2,340,034.00	2,301,168.07	38,865.93
Tuition Reimbursement	17,000.00		17,000.00	9,000.00	8,000.00
Other Employee Benefits	10,800.00	939.00	11,739.00	6,238.50	5,500.50
Unused Sick Payments to Terminated/Retired Staff		40,000.00	40,000.00	39,747.65	252.35
TOTAL UNALLOCATED BENEFITS	<u>2,950,280.00</u>	<u>13,987.00</u>	<u>2,964,267.00</u>	<u>2,911,553.95</u>	<u>52,713.05</u>
On-behalf TPAF Pension Contributions (non-budgeted)			-	531,982.00	(531,982.00)
On-behalf TPAF NCGI Premium (non-budgeted)			-	26,500.00	(26,500.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	664,997.00	(664,997.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	502,827.88	(502,827.88)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,726,306.88</u>	<u>(1,726,306.88)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,950,280.00</u>	<u>13,987.00</u>	<u>2,964,267.00</u>	<u>4,637,860.83</u>	<u>(1,673,593.83)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>8,879,056.00</u>	<u>(227,943.75)</u>	<u>8,651,112.25</u>	<u>10,045,652.95</u>	<u>(1,394,540.70)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>15,941,547.00</u>	<u>(157,167.09)</u>	<u>15,784,379.91</u>	<u>17,110,956.78</u>	<u>(1,326,576.87)</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	6,000.00	3,250.00	9,250.00	9,250.00	-
Total Equipment	<u>6,000.00</u>	<u>3,250.00</u>	<u>9,250.00</u>	<u>9,250.00</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction Services	250,000.00	163,917.09	413,917.09	413,917.09	-
Assesment for Debt Service on SDA Funding	39,244.00		39,244.00	39,244.00	-
Total Facilities Acquisition and Construction Services	<u>289,244.00</u>	<u>163,917.09</u>	<u>453,161.09</u>	<u>453,161.09</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>295,244.00</u>	<u>167,167.09</u>	<u>462,411.09</u>	<u>462,411.09</u>	<u>-</u>
Transfer of Funds to Charter Schools	<u>140,492.00</u>	<u></u>	<u>140,492.00</u>	<u>95,126.00</u>	<u>45,366.00</u>
TOTAL EXPENDITURES	<u>16,377,283.00</u>	<u>10,000.00</u>	<u>16,387,283.00</u>	<u>17,668,493.87</u>	<u>(1,281,210.87)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(473,796.00)</u>	<u>(10,000.00)</u>	<u>(483,796.00)</u>	<u>(99,239.49)</u>	<u>384,556.51</u>
Other Financing Sources/(Uses):					
Operating Transfer (Out):					
Operating Transfer In:					
Total Other Financing Sources/(Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(473,796.00)</u>	<u>(10,000.00)</u>	<u>(483,796.00)</u>	<u>(99,239.49)</u>	<u>384,556.51</u>
Fund Balance, July 1	<u>1,536,326.40</u>	<u></u>	<u>1,536,326.40</u>	<u>1,536,326.40</u>	<u>-</u>
Fund Balance, June 30	<u>1,062,530.40</u>	<u>(10,000.00)</u>	<u>1,052,530.40</u>	<u>1,437,086.91</u>	<u>384,556.51</u>
 Recapitulation of excess (deficiency) of revenues under expenditures					
Increase in Capital Reserve:					
Principal			-	100,000.00	100,000.00
Withdrawal from Capital Reserve	(250,000.00)		(250,000.00)	(250,000.00)	-
Budgeted Fund Balance	<u>(223,796.00)</u>	<u>(10,000.00)</u>	<u>(233,796.00)</u>	<u>50,760.51</u>	<u>284,556.51</u>
	<u>(473,796.00)</u>	<u>(10,000.00)</u>	<u>(483,796.00)</u>	<u>(99,239.49)</u>	<u>384,556.51</u>
 Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				606,634.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				237,152.77	
Excess Surplus - Current Year				240,929.25	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				0.23	
Unassigned Fund Balance				<u>352,370.66</u>	
				<u>1,437,086.91</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis					
				<u>(78,541.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>1,358,545.91</u>	

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	511,110.00	106,865.00	617,975.00	614,950.80	(3,024.20)
Total Revenues	511,110.00	106,865.00	617,975.00	614,950.80	(3,024.20)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	202,632.00	24,292.00	226,924.00	226,924.00	-
Purchased Professional and Technical Services	15,501.00	2,217.00	17,718.00	17,718.00	-
Other Purchased Services (400-500 series)	234,473.00	50,216.00	284,689.00	284,689.00	-
General Supplies		32,049.00	32,049.00	29,024.80	3,024.20
Total Instruction	452,606.00	108,774.00	561,380.00	558,355.80	3,024.20
Support Services:					
Personal Services - Employee Benefits	58,504.00	(1,909.00)	56,595.00	56,595.00	-
Total Support Services	58,504.00	(1,909.00)	56,595.00	56,595.00	-
Total Expenditures	511,110.00	106,865.00	617,975.00	614,950.80	3,024.20
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2016

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	17,569,254.38	614,950.80
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(78,541.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		78,591.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	17,569,304.38	614,950.80
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	17,668,493.87	614,950.80
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		N/A	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			-
Pension expense recognized for GAAP but not for budgetary purposes.		N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	17,668,493.87	614,950.80

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Covered Payroll -PERS Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0208896183%	\$ 3,911,108	\$ 1,378,792	283.66%	52.08%
2016	0.0201802468%	4,530,061	1,342,600	337.41%	47.93%

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's PERS Covered- Employee Payroll</u>	<u>Contributions as a Percentage of PERS Covered- Employee Payroll</u>
2015	\$ 172,211	\$ 172,211	\$ -	\$1,378,792	12.49%
2016	173,496	173,496	-	1,342,600	12.92%

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

<u>Fiscal Year Ending June30,</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>District's Proportion Share of the Net Pension Liability (Asset)</u>	<u>State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)</u>	<u>District's Covered Payrol -TPAF Employee's</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2015	0.0709421011%	\$ -	\$ 37,916,244	\$ 6,854,685	0.00%	33.64%
2016	0.0692008272%	\$ -	43,737,878	7,082,908	0.00%	28.71%

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2016

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 5.39% to 4.90%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.29%) to the current measurement date (3.80%), resulting in a change in the discount rate from 4.68% to 4.13%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

SPECIAL REVENUE FUND

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Total	Title I	Title II	Title III	Totals
	Brought	Part - A	Part - A	English	Totals
	Forward	Improving	Teacher/Principal	Language	2016
	(Ex. E-1a)	Basic	Training	Acquisition	
		Programs	& Recruiting		
REVENUES					
Federal Sources	284,689.00	300,512.80	17,718.00	12,031.00	614,950.80
Total Revenues	<u>284,689.00</u>	<u>300,512.80</u>	<u>17,718.00</u>	<u>12,031.00</u>	<u>614,950.80</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	226,924.00			226,924.00
Purchased Professional and Technical Services	-		17,718.00		17,718.00
Other Purchased Services (400-500 series)	284,689.00				284,689.00
General Supplies	-	16,993.80		12,031.00	29,024.80
Total Instruction	<u>284,689.00</u>	<u>243,917.80</u>	<u>17,718.00</u>	<u>12,031.00</u>	<u>558,355.80</u>
Support Services:					
Personal Services - Employee Benefits	-	56,595.00			56,595.00
Total Support Services	<u>-</u>	<u>56,595.00</u>	<u>-</u>	<u>-</u>	<u>56,595.00</u>
Total Expenditures	<u>284,689.00</u>	<u>300,512.80</u>	<u>17,718.00</u>	<u>12,031.00</u>	<u>614,950.80</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>I.D.E.A. Part B</u>		<u>Total Carried Forward</u>
	<u>Basic</u>	<u>Preschool</u>	
REVENUES			
Federal Sources	275,803.00	8,886.00	284,689.00
 Total Revenues	<u>275,803.00</u>	<u>8,886.00</u>	<u>284,689.00</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			-
Purchased Professional and Technical Services			-
Other Purchased Services (400-500 series)	275,803.00	8,886.00	284,689.00
General Supplies			-
Total Instruction	<u>275,803.00</u>	<u>8,886.00</u>	<u>284,689.00</u>
Support services:			
Personal Services - Employee Benefits			-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>275,803.00</u>	<u>8,886.00</u>	<u>284,689.00</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>

PROPRIETARY FUNDS

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2016

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	108,240.17	108,240.17
Accounts Receivable:		
State	234.13	234.13
Federal	10,090.57	10,090.57
Inventories	6,473.81	6,473.81
Total Current Assets	<u>125,038.68</u>	<u>125,038.68</u>
Noncurrent Assets:		
Capital Assets:		
Equipment	127,678.40	127,678.40
Less Accumulated Depreciation	<u>(45,022.65)</u>	<u>(45,022.65)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>82,655.75</u>	<u>82,655.75</u>
Total Assets	<u>207,694.43</u>	<u>207,694.43</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>20,180.35</u>	<u>20,180.35</u>
Total Liabilities	<u>20,180.35</u>	<u>20,180.35</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	82,655.75	82,655.75
Unrestricted	<u>104,858.33</u>	<u>104,858.33</u>
Total Net Position	<u>187,514.08</u>	<u>187,514.08</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Program</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	159,433.70	159,433.70
Daily Sales - Non-Reimbursable Programs	101,750.44	101,750.44
Total Operating Revenues	<u>261,184.14</u>	<u>261,184.14</u>
Operating Expenses:		
Cost of Sales	236,177.18	236,177.18
Salaries	163,279.11	163,279.11
Uniforms	836.59	836.59
Supplies and Materials	22,592.29	22,592.29
Employee Benefits	26,661.87	26,661.87
Management Fee	26,827.22	26,827.22
Payroll Taxes	24,808.29	24,808.29
Worker's Compensation Insurance	15,049.58	15,049.58
Liability Insurance	1,770.91	1,770.91
Repair & Maintenance	3,712.67	3,712.67
Purchased Services	10,651.39	10,651.39
Miscellaneous Expense	1,617.11	1,617.11
General Supplies	3,416.26	3,416.26
Depreciation	10,246.83	10,246.83
Total Operating Expenses	<u>547,647.30</u>	<u>547,647.30</u>
Operating Income (Loss)	<u>(286,463.16)</u>	<u>(286,463.16)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	6,140.21	6,140.21
Federal Sources:		
National School Lunch Program	231,602.82	231,602.82
School Breakfast Program	20,590.96	20,590.96
Food Distribution Program	37,718.13	37,718.13
Total Nonoperating Revenues (Expenses)	<u>296,052.12</u>	<u>296,052.12</u>
Income (Loss) Before Contributions & Transfers	9,588.96	9,588.96
Transfers In (Out)		-
Change in Net Position	<u>9,588.96</u>	<u>9,588.96</u>
Total Net Position—Beginning	<u>177,925.12</u>	<u>177,925.12</u>
Total Net Position—Ending	<u>187,514.08</u>	<u>187,514.08</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	261,184.14	261,184.14
Payments to Suppliers	(14,367.93)	(14,367.93)
Payments for Miscellaneous Expenses	(236.76)	(236.76)
Payments to Food Service Management Company	(468,243.13)	(468,243.13)
Net Cash Provided by (Used for) Operating Activities	(221,663.68)	(221,663.68)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	6,272.09	6,272.09
Federal Sources	258,822.76	258,822.76
Net Cash Provided by (Used for) Non-Capital Financing Activities	265,094.85	265,094.85
Net Increase (Decrease) in Cash and Cash Equivalents	43,431.17	43,431.17
Balances—Beginning of Year	64,809.00	64,809.00
Balances—End of Year	108,240.17	108,240.17
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(286,463.16)	(286,463.16)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities		
Depreciation and Net Amortization	10,246.83	10,246.83
Food Distribution Program Donated Commodities	37,718.13	37,718.13
(Increase) Decrease in Inventories	2,329.13	2,329.13
Increase (Decrease) in Accounts Payable	14,505.39	14,505.39
Total Adjustments	64,799.48	64,799.48
Net Cash Provided by (Used for) Operating Activities	(221,663.68)	(221,663.68)

FIDUCIARY FUND

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	123,972.34	362,800.03
Total Assets	<u>123,972.34</u>	<u>362,800.03</u>
LIABILITIES		
Payable to Student Groups		67,174.41
Interfunds Payable		6,850.00
Employee's Flexible Spending Account		47.76
Payroll Deductions and Withholdings		288,727.86
Total Liabilities	<u>-</u>	<u>362,800.03</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>123,972.34</u>	

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	16,552.58
Total Contributions	<u>16,552.58</u>
Total Additions	<u>16,552.58</u>
DEDUCTIONS	
Quarterly Contribution Reports	6,408.52
Total Deductions	<u>6,408.52</u>
Change in Net Assets	10,144.06
Net Position—Beginning of the Year	<u>113,828.28</u>
Net Position—End of the Year	<u><u>123,972.34</u></u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2016</u>
ELEMENTARY SCHOOLS:				
Beatrice Gilmore School	1,465.51	12,045.21	11,068.19	2,442.53
Charles Olbon School	3,423.63	13,050.98	12,147.02	4,327.59
Memorial School	59,452.69	85,570.36	84,618.76	60,404.29
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>64,341.83</u>	<u>110,666.55</u>	<u>107,833.97</u>	<u>67,174.41</u>

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
Employee's Flex Spending	1,351.09	5,650.00	6,953.33	47.76
Interfund Payable		6,850.00		6,850.00
Payroll Deductions and Withholdings	328,187.14	11,211,490.04	11,250,949.32	288,727.86
	<u>329,538.23</u>	<u>11,223,990.04</u>	<u>11,257,902.65</u>	<u>295,625.62</u>

LONG-TERM DEBT

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2016

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2016	Issued	Retired	Balance June 30, 2016
School Bonds Series 2001	12/15/2001	2,265,000.00	12/15/2016	210,000.00	4.750%	410,000.00		200,000.00	210,000.00
School Bonds Series 2010	4/15/2010	6,102,000.00	4/15/2017	100,000.00	3.125%	5,852,000.00		75,000.00	5,777,000.00
			4/15/2018	325,000.00	3.250%				
			4/15/2019	340,000.00	3.500%				
			4/15/2020	360,000.00	4.000%				
			4/15/2021	375,000.00	4.000%				
			4/15/2022	390,000.00	4.000%				
			4/15/2023	410,000.00	4.000%				
			4/15/2024	430,000.00	4.000%				
			4/15/2025	455,000.00	4.000%				
			4/15/2026	475,000.00	4.000%				
			4/15/2027	490,000.00	4.000%				
			4/15/2028	520,000.00	4.000%				
			4/15/2029	535,000.00	4.000%				
			4/15/2030	572,000.00	4.125%				
						6,262,000.00	-	275,000.00	5,987,000.00

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	518,852.00		518,852.00	518,852.00	-
Total Revenues	<u>518,852.00</u>	<u>-</u>	<u>518,852.00</u>	<u>518,852.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	243,852.00		243,852.00	243,851.26	0.74
Redemption of Principal	275,000.00		275,000.00	275,000.00	-
Total Regular Debt Service	518,852.00	-	518,852.00	518,851.26	0.74
Total expenditures	<u>518,852.00</u>	<u>-</u>	<u>518,852.00</u>	<u>518,851.26</u>	<u>0.74</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.74	0.74
Fund Balance, July 1	1.62		1.62	1.62	-
Fund Balance, June 30	<u>1.62</u>	<u>-</u>	<u>1.62</u>	<u>2.36</u>	<u>0.74</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-		-	0.74	0.74

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
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.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Net Assets/Position by Component*
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	1,266,177.29	1,394,206.77	1,778,743.46	2,002,142.10	2,182,319.27	3,947,365.18	4,359,297.82	4,467,217.82	4,181,679.85	4,824,902.92
Restricted	233,933.72	685,897.95	775,157.11	696,942.76	1,689,435.20	1,734,874.76	1,659,846.46	719,487.75	1,175,670.32	637,365.85
Unrestricted	178,891.33	103,178.37	(5,411.26)	(12,279.75)	251,825.70	77,095.99	(60,555.47)	(166,584.87)	(4,378,153.73)	(4,510,531.09)
Total Governmental Activities Net Assets/Position	1,679,002.34	2,183,285.09	2,548,489.31	2,686,805.11	4,123,580.17	5,759,335.93	5,958,588.81	5,020,120.70	979,196.44	951,737.68
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	2,411.00	2,161.00	1,911.00	1,661.00	1,411.00	80,778.67	74,889.09	103,187.41	92,902.58	82,655.75
Unrestricted	29,008.00	31,590.65	48,110.25	93,034.86	133,435.79	45,180.64	64,119.54	55,649.59	85,022.54	104,858.33
Total Business-type Activities Net Assets/Position	31,419.00	33,751.65	50,021.25	94,695.86	134,846.79	125,959.31	139,008.63	158,837.00	177,925.12	187,514.08
District-wide										
Invested in Capital Assets, Net of Related Debt	1,268,588.29	1,396,369.77	1,780,654.46	2,003,803.10	2,183,730.27	4,028,143.85	4,434,186.91	4,570,405.23	4,274,582.43	4,907,558.67
Restricted	233,933.72	685,897.95	775,157.11	696,942.76	1,689,435.20	1,734,874.76	1,659,846.46	719,487.75	1,175,670.32	637,365.85
Unrestricted	207,899.33	134,769.02	42,698.99	80,755.11	385,261.49	122,276.63	3,564.07	(110,935.28)	(4,293,131.19)	(4,405,672.76)
Total District Net Assets/Position	1,710,421.34	2,217,036.74	2,598,510.56	2,781,500.97	4,258,426.96	5,885,295.24	6,097,597.44	5,178,957.70	1,157,121.56	1,139,251.76

Source: CAFR Schedule A-1

* GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Changes in Net Assets/Position*
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction:										
Regular	4,927,295.77	5,404,554.46	5,689,202.53	6,315,802.95	6,099,993.55	6,282,130.65	6,378,808.35	6,588,408.13	6,728,487.13	6,941,751.72
Special Education	1,082,399.72	1,483,192.01	1,526,332.33	1,506,602.42	1,754,353.87	1,804,250.78	1,980,568.97	2,092,809.49	2,281,932.33	2,238,935.53
Other Special Instruction	479,160.04	294,764.44	342,758.65	264,174.32	275,933.69	330,780.47	192,987.29	167,909.09	183,752.60	435,930.02
Support Services:										
Tuition	588,003.52	574,089.25	378,467.02	357,273.71	502,340.91	596,631.18	607,174.49	490,192.36	169,538.01	138,108.10
Student & Instruction Related Services	1,830,550.25	1,690,992.06	1,939,908.09	2,141,533.17	1,973,562.84	1,980,905.77	2,104,636.97	2,277,814.52	2,293,521.04	2,376,052.72
School Administrative Services	675,965.61	616,102.41	638,408.48	663,176.55	723,342.03	783,756.15	868,057.21	857,070.23	855,888.89	817,294.93
General Administrative Services	551,802.88	468,306.10	522,161.58	520,020.24	335,645.03	317,841.14	381,900.85	448,353.75	452,756.88	491,213.08
Central Services & Admin. Info. Technology	271,768.33	266,086.49	304,514.83	330,736.59	374,724.18	426,448.33	434,936.49	455,805.11	467,164.46	485,259.57
Plant Operations and Maintenance	1,054,376.96	1,152,138.47	1,296,518.28	1,373,017.02	1,381,408.55	1,397,406.30	1,531,354.88	1,570,445.57	1,668,578.20	1,696,684.25
Pupil Transportation	394,890.76	498,236.82	526,523.58	523,946.72	429,250.08	455,788.52	466,079.60	434,262.21	490,025.15	508,039.56
Unallocated Benefits	1,307,672.18	1,291,303.66	969,330.28	997,768.20	976,949.73	1,237,478.51	1,531,829.80	1,306,424.32	3,146,944.77	3,895,104.88
Charter Schools	9,492.00	9,013.00	8,279.00	21,536.00	24,087.00	27,577.00	29,766.00	52,399.00	137,453.00	95,126.00
Capital Outlay - Non Depreciable	80,090.51	74,284.48	68,259.85	110,741.23	9,502.23	52,885.12	141,228.00	39,244.00	39,244.20	19,244.29
Interest on Long-term Debt	122,770.81	124,847.81	130,973.77	136,606.53	137,387.23	238,207.19	393,505.30	449,011.46	444,553.61	460,963.15
Unallocated Depreciation										
Total Governmental Activities Expenses	13,376,229.34	13,947,920.46	14,341,638.27	15,263,000.85	15,287,876.95	16,213,799.77	17,316,321.36	17,494,408.45	19,613,900.38	20,842,674.94
Business-type Activities:										
Food Service	150,785.54	163,106.47	205,446.52	246,957.74	254,764.52	417,650.26	492,962.77	528,412.72	516,414.17	547,647.30
Total Business-type Activities Expenses	150,785.54	163,106.47	205,446.52	246,957.74	254,764.52	417,650.26	492,962.77	528,412.72	516,414.17	547,647.30
Total District Expenses	13,527,014.88	14,111,026.93	14,547,084.79	15,509,958.59	15,542,641.47	16,631,450.03	17,809,284.13	18,022,821.17	20,130,314.55	21,390,322.24
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	365,583.57	470,146.93	414,115.03	685,067.14	527,910.86	499,327.00	520,879.00	575,511.00	601,199.29	614,950.80
Total Governmental Activities Program Revenues	365,583.57	470,146.93	414,115.03	685,067.14	527,910.86	499,327.00	520,879.00	575,511.00	601,199.29	614,950.80
Business-type Activities:										
Charges for Services:										
Food Service	46,781.60	50,208.00	51,238.05	59,821.85	56,855.82	165,585.01	253,201.49	256,893.05	244,521.30	261,184.14
Operating Grants and Contributions	83,917.69	81,579.03	127,147.34	174,279.52	162,528.83	213,177.77	252,810.60	291,348.04	290,980.99	296,052.12
Total Business-type Activities Program Revenues	130,699.29	131,787.03	178,385.39	234,101.37	219,384.65	378,762.78	506,012.09	548,241.09	535,502.29	557,236.26
Total District Program Revenues	496,282.86	601,933.96	592,500.42	919,168.51	747,295.51	878,089.78	1,026,891.09	1,123,752.09	1,136,701.58	1,172,187.06
Net (Expense)/Revenue										
Governmental Activities	(13,010,645.77)	(13,477,773.53)	(13,927,523.24)	(14,577,933.51)	(14,759,966.09)	(15,714,472.77)	(16,795,442.36)	(16,918,897.45)	(19,012,701.09)	(20,227,724.14)
Business-type Activities	(20,086.25)	(31,319.44)	(27,061.13)	(12,856.37)	(35,379.87)	(38,887.48)	(13,049.32)	(19,828.37)	(19,088.12)	(9,588.96)
Total District-wide Net Expense	(13,030,732.02)	(13,509,092.97)	(13,954,584.37)	(14,590,789.88)	(14,795,345.96)	(15,753,360.25)	(16,782,393.04)	(16,899,069.08)	(18,993,612.97)	(20,218,135.10)

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Changes in Net Assets/Position*
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	10,427,322.00	11,385,000.00	11,973,920.00	12,530,735.00	12,923,448.00	13,280,437.00	13,678,927.00	14,110,079.00	14,392,280.00	14,759,245.00
Taxes Levied for Debt Service	210,326.00	209,531.00	208,516.00	207,190.00	469,790.00	462,568.00	494,012.00	519,918.00	519,792.00	518,852.00
Unrestricted Federal and State Aid	2,215,848.18	2,222,503.66	1,962,841.28	1,841,535.90	1,562,653.18	1,977,128.51	2,396,557.80	2,266,654.81	4,062,802.07	4,803,261.09
Tuition					102,376.86	145,358.85				
Miscellaneous Income	217,263.91	198,673.71	190,780.91	194,319.39	203,932.91	188,218.49	186,803.92	234,001.03	216,449.96	118,907.29
State Aid - Capital Outlay Facilities Grant	(16,469.08)	(33,652.09)	(43,330.73)	(57,530.98)	1,010,071.00	1,326,517.68	238,394.52	253,321.85	5,825.80	
Transfers	13,054,291.01	13,982,056.28	14,292,727.46	14,716,249.31	16,196,741.15	(30,000.00)	16,994,695.24	17,383,974.69	19,197,149.83	20,200,265.38
Total Governmental Activities	16,469.08	33,652.09	43,330.73	57,530.98	75,530.80	30,000.00	0.00	0.00	0.00	0.00
Business-type Activities:										
Transfers	16,469.08	33,652.09	43,330.73	57,530.98	75,530.80	30,000.00	0.00	0.00	0.00	0.00
Total Business-type Activities	16,469.08	33,652.09	43,330.73	57,530.98	75,530.80	30,000.00	0.00	0.00	0.00	0.00
Total District-wide	13,070,760.09	14,015,708.37	14,336,058.19	14,773,780.29	16,272,271.95	17,380,228.53	16,994,695.24	17,383,974.69	19,197,149.83	20,200,265.38
Change in Net Assets/Position										
Governmental Activities	43,645.24	504,282.75	365,204.22	138,315.80	1,436,775.06	1,635,755.76	199,252.88	465,077.24	184,448.74	(27,458.76)
Business-type Activities	(3,617.17)	2,332.65	16,269.60	44,674.61	40,150.93	(8,887.48)	13,049.32	19,828.37	19,088.12	9,588.96
Total District	40,028.07	506,615.40	381,473.82	182,990.41	1,476,925.99	1,626,868.28	212,302.20	484,905.61	203,536.86	(17,869.80)

Source: CAFR Schedule A-2

* GASB Statement No. 63 became effective for the Fiscal Year Ended June 30, 2013 which changed Net Assets to Net Position.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Fund Balances Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	233,933.72	685,897.95	775,157.11	696,942.76						
Unreserved	542,625.43	442,573.30	373,036.62	423,494.56						
Restricted					652,393.70	903,349.13	1,037,752.13	1,013,983.00	1,170,972.77	1,084,716.02
Assigned					259,027.00	141,761.30			47,390.65	0.23
Unassigned					400,708.04	363,652.84	389,441.84	265,913.38	239,371.98	273,829.66
Total General fund	<u>776,559.15</u>	<u>1,128,471.25</u>	<u>1,148,192.73</u>	<u>1,120,437.32</u>	<u>1,312,128.74</u>	<u>1,408,763.27</u>	<u>1,427,193.97</u>	<u>1,279,896.38</u>	<u>1,457,735.40</u>	<u>1,358,545.91</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund	(970.55)	(963.90)		5,962,551.40	4,013,565.35	1,220,324.81	563,479.35	119,503.40		
Capital Projects Fund	0.90	1.27	2.27	4,559.07	4,557.81	2.15	1.64	0.88	1.62	2.36
Debt Service										
Total Other Governmental Funds	<u>(969.65)</u>	<u>(962.63)</u>	<u>2.27</u>	<u>5,967,110.47</u>	<u>4,018,123.16</u>	<u>1,220,326.96</u>	<u>563,480.99</u>	<u>119,504.28</u>	<u>1.62</u>	<u>2.36</u>

Source: CAFR Schedule B-1

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	10,637,648.00	11,594,531.00	12,182,436.00	12,737,925.00	13,393,238.00	13,743,005.00	14,172,939.00	14,629,997.00	14,912,072.00	15,278,097.00
Tuition					102,376.86	145,358.85				
Miscellaneous	217,264.00	198,674.00	190,781.00	194,319.39	203,932.91	188,218.49	186,803.92	234,001.03	216,449.96	118,907.29
State Sources	2,244,588.00	2,355,918.00	1,967,576.00	1,742,873.20	2,572,724.18	3,268,463.19	2,634,952.32	2,516,268.17	2,391,971.57	2,640,328.88
Federal Sources	336,844.00	336,732.00	409,380.00	783,729.84	527,910.86	534,510.00	520,879.00	579,219.49	611,730.59	665,774.01
Total Revenues	13,436,344.00	14,485,655.00	14,750,173.00	15,458,847.43	16,800,182.81	17,879,555.53	17,515,574.24	17,959,485.69	18,132,224.12	18,703,107.18
Expenditures										
Instruction:										
Regular	3,989,242.00	4,426,354.00	4,787,876.00	5,250,767.56	4,986,122.61	5,113,488.36	5,213,888.00	5,342,350.23	5,471,690.20	5,566,488.67
Special	849,255.00	1,180,685.00	1,248,241.00	1,210,179.68	1,392,679.01	1,421,648.75	1,569,495.92	1,637,344.58	1,782,589.85	1,722,145.80
Other	375,137.00	234,827.00	279,836.00	212,261.49	218,953.24	260,578.95	152,934.13	131,483.62	144,364.05	335,025.16
Support Services:										
Instruction - Tuition	588,004.00	574,089.00	378,467.00	357,273.71	502,340.91	596,631.18	607,174.49	490,192.36	169,538.01	138,108.10
Student & Instruction Related Services	1,501,983.00	1,420,064.00	1,650,309.00	1,806,144.47	1,658,434.05	1,666,741.04	1,773,190.40	1,915,029.39	1,951,784.13	1,962,570.09
General Administration	456,560.00	394,165.00	445,239.00	445,670.14	290,277.87	271,079.34	324,637.17	374,587.64	378,680.91	406,651.98
School Administration	530,515.00	491,689.00	523,229.00	534,630.63	575,040.92	619,309.43	688,065.08	626,024.99	622,575.52	595,876.47
Central Services & Admin. Info. Technology	214,599.00	214,300.00	251,459.00	269,266.03	297,936.33	351,174.97	359,235.66	374,529.77	383,024.43	392,372.80
Operations and Maintenance	917,353.00	1,013,434.00	1,158,233.00	1,231,018.74	1,233,393.00	1,241,221.45	1,364,152.09	1,382,490.75	1,474,217.45	1,476,489.23
Student Transportation	394,881.00	498,236.00	526,524.00	523,946.72	429,250.08	455,788.52	466,079.60	434,262.21	472,873.71	492,318.45
Employee Benefits	3,374,749.00	3,308,797.00	2,828,448.00	3,128,566.89	3,259,212.06	3,587,004.56	3,925,074.81	3,923,578.64	4,132,143.84	4,637,860.83
Capital Outlay	41,065.00	125,100.00	386,501.00	365,511.60	3,144,429.49	4,471,349.99	1,186,283.65	1,346,588.05	433,161.40	462,411.09
Transfer to Charter School	9,492.00	9,013.00	8,279.00	21,536.00	24,087.00	27,577.00	29,766.00	52,399.00	137,453.00	95,126.00
Debt Service:										
Principal	130,000.00	135,000.00	140,000.00	145,000.00	180,000.00	185,000.00	220,000.00	255,000.00	265,000.00	275,000.00
Interest and Other Charges	80,327.00	74,531.00	68,515.00	62,190.00	289,791.26	282,123.66	274,012.51	264,918.76	254,791.26	243,851.26
Total Governmental Fund Expenditures	13,453,162.00	14,100,284.00	14,686,156.00	15,563,963.66	18,481,947.90	20,550,717.20	18,153,989.51	18,550,759.99	18,073,887.76	18,802,295.93
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,818.00)	385,571.00	64,017.00	(105,116.23)	(1,661,765.09)	(2,671,161.67)	(638,415.27)	(591,274.30)	58,336.36	(99,188.75)
Other Financing Sources (Uses)										
Operating Transfers In				8,620.04	7,539.68	302,301.04	150,254.64	275,128.48	218,367.00	
Operating Transfers Out	(16,469.00)	(33,652.00)	(43,331.00)	(66,151.02)	(83,070.48)	(332,301.04)	(150,254.64)	(275,128.48)	(218,367.00)	
Proceeds from Borrowing				6,102,000.00						
Funding of Temporary Notes										
Capital Leases (non-budgeted)										
Total Other Financing Sources (Uses)	(16,469.00)	(33,652.00)	(43,331.00)	6,044,469.02	(75,530.80)	(30,000.00)				
Net Changes in Fund Balance	(33,287.00)	351,919.00	20,686.00	5,939,352.79	(1,757,295.89)	(2,701,161.67)	(638,415.27)	(591,274.30)	58,336.36	(99,188.75)
Debt Service as a percentage of noncapital expenditures	1.57%	1.50%	1.46%	1.36%	3.06%	2.91%	2.91%	3.02%	2.95%	2.83%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

**General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Rental Income</u>	<u>Interest Income</u>	<u>E-Rate</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	61,631.00	48,837.00			106,796.00	217,264.00
2008	136,480.00	23,412.00			38,782.00	198,674.00
2009	141,264.00				49,517.00	190,781.00
2010	143,596.00				42,103.35	185,699.35
2011	143,960.00		9,422.54	102,376.86	43,011.09	298,770.49
2012	132,050.30		16,685.28	145,358.85	37,181.87	331,276.30
2013	158,537.79		13,911.40		14,100.09	186,549.28
2014	149,901.10		25,872.46		58,098.99	233,872.55
2015	150,214.00		27,223.84		39,012.12	216,449.96
2016	61,095.00		23,208.58		34,603.71	118,907.29

Source: District records.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2007	27,975,198	554,397,824	1,680	149,919,960	35,320,500	37,277,000	804,892,162	0	601,270	805,493,432	1,499,651,201	1.3220
2008	34,193,613	554,965,324	1,680	150,161,360	35,076,600	37,277,000	811,676,577	0	557,128	812,232,705	1,686,656,362	1.4290
2009	30,631,513	584,381,724	1,680	143,528,760	34,306,600	34,127,000	826,977,277	0	573,562	827,550,839	1,823,814,822	1.4725
2010	25,682,613	615,591,324	1,680	142,974,460	33,674,000	34,127,000	852,051,077	0	610,243	852,661,320	1,957,117,774	1.4940
2011	22,537,613	625,975,324	1,680	141,103,360	33,199,300	28,067,900	850,885,177	0	660,426	851,545,603	1,794,077,285	1.5730
2012	49,329,600	1,213,800,400	1,800	300,464,300	58,186,000	60,831,500	1,682,613,600	0	1,267,698	1,683,881,298	1,793,619,284	0.8162
2013	37,831,300	1,225,094,700	1,800	301,547,200	56,264,200	60,831,500	1,681,570,700	0	1,274,976	1,682,845,676	1,681,609,376	0.8428
2014	29,526,300	1,243,680,100	1,800	289,696,300	54,365,100	60,831,500	1,678,103,100	0	1,306,748	1,679,409,848	1,697,673,980	0.8712
2015	26,930,400	1,265,728,800	1,800	283,984,600	54,365,100	59,236,800	1,690,247,500	0	1,147,407	1,691,394,907	1,648,496,828	0.8817
2016	23,857,800	1,206,336,400	1,800	297,975,400	54,483,200	60,148,600	1,642,803,200	0	1,171,996	1,643,975,196	1,689,584,117	0.9293

Source: Passaic County, Abstract of Rates and 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 County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100 of assessed value.

c Revaluation/Reassessment Year.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation

Assessment Year	Basic Rate ^a	General Obligation Debt Service ^b	Overlapping Rates				Total Direct and overlapping Tax Rate
			Local School District	Regional School District	Municipality ^c	County ^c	
2006	1.2958	0.0262	1.3220	0.6170	0.9260	0.9750	3.840
2007	1.4031	0.0259	1.4290	0.6530	1.0090	1.0290	4.120
2008	1.4473	0.0252	1.4725	0.6215	1.0555	1.1075	4.257
2009	1.4696	0.0244	1.4940	0.6680	1.1590	1.1540	4.475
2010	1.5178	0.0552	1.5730	0.6520	1.2490	1.1130	4.587
2011	(d) 0.7887	0.0275	0.8162	0.3402	0.6717	0.6049	2.433
2012	0.8134	0.0294	0.8428	0.3714	0.6924	0.6635	2.570
2013	0.8403	0.0309	0.8712	0.4041	0.6934	0.6823	2.651
2014	0.8509	0.0308	0.8817	0.4359	0.7068	0.6786	2.703
2015	(d) 0.8977	0.0316	0.9293	0.4965	0.7652	0.7730	2.964

Source: District Records and Municipal Tax Collector.

Notes:

- 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.
- c Includes Open Space and Library Tax.
- d Revaluation/Reassessment Year.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Rose Manor Estates	43,569,300	1	2.65%	36,178,000	1	4.49%
Levco Route 46 Associates	43,091,000	2	2.62%	15,286,300	3	1.90%
Bank of New York	21,623,100	3	1.32%	19,043,400	2	2.36%
G.O.P. 1, LLC	17,900,000	4	1.09%			
1225 McBride Ave., LLC	17,689,600	5	1.08%			
DDRM West Falls Plaza, LCC	17,444,800	6	1.06%			
G.O.P. 3, LLC c/o Mtn. Develop.	13,550,000	7	0.82%	15,000,000	4	1.86%
Lenox Plaza, LLC	14,453,600	8	0.88%			
G.O.P. 5, LLC c/o Mtn. Develop.	11,649,000	9	0.71%	14,060,000	5	1.75%
Garret Mountain Trust				13,275,000	6	1.65%
The Leeward Corporation	11,556,600	10	0.70%	10,773,700	7	1.34%
Inland Southeast West Falls, LLC				8,576,100	8	1.06%
Kearfott Guidance				6,550,000	9	0.81%
Best Buy Stores, L.P.				4,883,800	10	0.61%
	<u>212,527,000</u>		<u>12.93%</u>	<u>143,626,300</u>		<u>17.83%</u>

Source: Municipal Tax Assessor's Office.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

**School Tax Levies and Collections
Last Ten Years**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2007	10,637,648	10,194,413	95.83%	443,235
2008	11,594,531	11,594,531	100.00%	
2009	12,182,436	12,182,436	100.00%	
2010	12,737,925	12,737,925	100.00%	
2011	13,393,238	13,393,238	100.00%	
2012	13,743,005	13,743,005	100.00%	
2013	14,172,939	14,172,939	100.00%	
2014	14,629,997	14,629,997	100.00%	
2015	14,912,072	14,912,072	100.00%	
2016	15,278,097	15,278,097	100.00%	

Source: 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 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.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2007	1,685,000	-	-	-	-	1,685,000	0.42%	153
2008	1,550,000	-	-	-	-	1,550,000	0.36%	136
2009	1,410,000	-	-	-	-	1,410,000	0.31%	119
2010	7,367,000	-	-	-	-	7,367,000	1.52%	605
2011	7,187,000	-	-	-	-	7,187,000	1.56%	607
2012	7,002,000	-	-	-	-	7,002,000	1.47%	584
2013	6,782,000	-	-	-	-	6,782,000	1.36%	562
2014	6,527,000	-	-	-	-	6,527,000	1.28%	533
2015	6,262,000	-	-	-	-	6,262,000	1.20%	504
2016	5,987,000	-	-	-	-	5,987,000	1.09%	478

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

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

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		
2007	1,685,000	-	1,685,000	0.21%	153
2008	1,550,000	-	1,550,000	0.19%	136
2009	1,410,000	-	1,410,000	0.17%	119
2010	7,367,000	-	7,367,000	0.86%	605
2011	7,187,000	-	7,187,000	0.84%	607
2012	7,002,000	-	7,002,000	0.42%	584
2013	6,782,000	-	6,782,000	0.40%	562
2014	6,527,000	-	6,527,000	0.39%	533
2015	6,262,000	-	6,262,000	0.37%	504
2016	5,987,000	-	5,987,000	0.36%	478

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Woodland Park	\$ 21,777,965	100.000%	\$ 21,777,965
Other debt			
Passaic County General Obligation Debt	345,384,061	3.71295%	12,823,951
Passaic County Utility Authority	55,210,000	3.71295%	<u>2,049,922</u>
Subtotal, overlapping debt			36,651,838
Woodland Park School District Direct Debt			<u>5,987,000</u>
Total direct and overlapping debt			<u><u>\$ 42,638,838</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Passaic 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 is borne by the residents and businesses of Woodland Park. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

(1) Debt Information as of December 31, 2015.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis	
2015	\$1,723,099,643
2014	1,712,336,643
2013	1,627,330,392
[A]	<u>\$5,062,766,678</u>
Average equalized valuation of taxable property	[A/3] \$1,687,588,893
Debt limit (3 % of average equalization value)	[B] 50,627,667
Total Net Debt Applicable to Limit	[C] 5,987,000
Legal debt margin	<u>[B-C]</u> <u>\$ 44,640,667</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 44,386,419	\$ 49,149,865	\$ 53,285,231	\$ 54,516,699	\$ 55,310,835	\$ 53,971,919	\$ 53,022,152	\$ 50,731,120	\$ 50,294,643	\$ 50,627,667
Total net debt applicable to limit	<u>1,685,000</u>	<u>1,550,000</u>	<u>1,410,000</u>	<u>7,367,000</u>	<u>7,187,000</u>	<u>7,002,000</u>	<u>6,782,000</u>	<u>6,527,000</u>	<u>6,262,000</u>	<u>5,987,000</u>
Legal debt margin	<u>\$ 42,701,419</u>	<u>\$ 47,599,865</u>	<u>\$ 51,875,231</u>	<u>\$ 47,149,699</u>	<u>\$ 48,123,835</u>	<u>\$ 46,969,919</u>	<u>\$ 46,240,152</u>	<u>\$ 44,204,120</u>	<u>\$ 44,032,643</u>	<u>\$ 44,640,667</u>
Total net debt applicable to the limit as a percentage of debt limit	3.80%	3.15%	2.65%	13.51%	12.99%	12.97%	12.79%	12.87%	12.45%	11.83%

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

**Demographic and Economic Statistics
Last Ten Years**

<u>Year Ended June 30</u>	<u>School District Population (1)</u>	<u>Personal Income in Thousands \$ (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>
2007	11,009	396,676,288	36,032	3.10
2008	11,428	432,321,240	37,830	4.00
2009	11,813	459,490,261	38,897	8.00
2010	12,179	486,027,353	39,907	8.10
2011	11,840	460,954,880	38,932	8.10
2012	11,980	476,887,860	39,807	8.00
2013	12,074	499,513,454	41,371	7.80
2014	12,239	511,883,936	41,824	7.40
2015	12,432	520,366,224	41,857	7.40
2016	12,518	546,873,866	43,687	6.40

Source:

- (1) U.S. Bureau of the Census, Population Division,
(Estimates July 1, 2006-2015)
- (2) Personal income of the District is Based on the County Information.
- (3) U.S. Department of Commerce, County Information 2005-2014.
- (4) N.J. Department of Labor.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2015

2006

INFORMATION IS NOT AVAILABLE

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</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>	<u>2016</u>
Instruction	75	83	84.0	86.0	107.3	112.0	102.0	101.0	115.5	100.0
Support Services:										
Student & instruction related services	23	23	33.3	44.0	20.2	18.0	30.0	59.0	21.5	38.6
General administration	3	3	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	6	6	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Central services	3	3	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Administrative Information Technology			0.1						Outsource	Outsource
Plant operations and maintenance	10	9	17.0	10.5	14.5	17.0	10.0	11.0	11.75	11.75
Other support services				12.5					6.0	13.0
Total	120	127	146.4	164.0	154.0	160.0	155.0	184.0	167.8	176.4

Source: District Budget Records

* FTE Includes all part-time aides.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio										% Change			
	a	Enrollment	Expenditures	Cost Per Pupil	% Change	b	Teaching Staff	Elementary Beatrice Gilmore	Elementary Charles Olbon	Middle Memorial	Average Daily Enrollment	c	Average Daily Attendance	Average Daily Enrollment
2006-2007	1015	13,201,769	13,007	4.13%	95	15.7	13.55	12.19	1006.1	963.5	3.54%	95.77%		
2007-2008	1025	13,765,654	13,430	3.25%	95	12.7	11.71	13.37	1020.9	975.2	1.47%	95.52%		
2008-2009	1054	14,091,140	13,369	-0.45%	100	12.23	12.20	12.02	1040.7	988.6	1.94%	94.99%		
2009-2010	1094	14,991,262	13,703	2.50%	103	10.88	12.34	12.33	1093.6	1037.5	5.08%	94.87%		
2010-2011	1121	14,867,727	13,263	-3.21%	99	8.71	12.00	12.05	1125.7	1048.5	2.94%	93.14%		
2011-2012	1137	15,612,244	13,731	3.53%	102	10.52	9.91	12.26	1133.3	1072.8	0.68%	94.66%		
2012-2013	1138	16,473,693	14,476	5.43%	102	14	12.20	14	1179.2	1122	4.05%	95.15%		
2013-2014	1126	16,684,273	14,817	2.36%	101	10.52	12.21	11.85	1129.9	1073.1	-4.18%	94.97%		
2014-2015	1112	17,120,935	15,397	3.91%	108	11	13	13	1090.4	1039.7	-3.50%	95.35%		
2015-2016	1097	17,821,034	16,245	5.51%	106	11	12	12	1099.3	1045.65	0.82%	95.12%		

Sources: District Records

Note: Enrollment based on annual October district count.

a-Operating Expenditures equal total expenditures J-4, 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 at June 30.

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

<u>District Buildings</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>	<u>2016</u>
<u>Elementary</u>											
Beatrice Gilmore(1926)											
Square Feet	24,296	24,296	24,296	24,296	24,296	24,296	34,250	34,250	34,250	34,250	34,250
Capacity(students)	162	162	162	162	162	162	232	232	232	232	232
Enrollment	254	229	231	243	237	209	242	264	221	238	255
<u>Elementary</u>											
Charles Olbon(1965)											
Square Feet	36,929	36,929	36,929	36,929	36,929	36,929	46,800	46,800	46,800	46,800	46,800
Capacity(students)	297	297	297	297	297	297	356	356	356	356	356
Enrollment	331	335	336	349	363	373	367	368	391	373	344
<u>Middle</u>											
Memorial(1958)											
Square Feet	45,442	45,442	45,442	45,442	45,442	45,442	59,485	59,485	59,485	59,485	59,485
Capacity(students)	378	378	378	378	378	378	482	482	482	482	482
Enrollment	417	448	443	460	481	530	515	495	498	483	470
<u>Other</u>											
Central Administration(1926)											
Square Feet	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369
School #1(1911)											
Square Feet	12,320	12,320	12,320	12,320	12,320	12,320	12,320	12,320	12,320	12,320	12,320
Number of Schools at June 30, 2016											
Elementary=2											
Middle=1											
Other=2											

Source: District Facilities Office
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities

**UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx**

* School Facilities	Project # (s)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Beatrice Gilmore	N/A	85,900.00	94,341.00	88,984.00	95,352.00	47,250.00	48,231.00	48,416.00	44,615.00	39,535.00	34,943.00
Charles Olbon	N/A	117,345.00	129,717.00	117,459.00	125,865.00	97,281.00	98,886.00	94,145.00	94,480.00	83,720.00	73,998.00
Memorial School	N/A	149,000.00	169,025.00	149,492.00	160,191.00	133,415.00	135,416.00	126,420.00	123,350.00	109,305.00	96,609.00
Administration	N/A										
Total School Facilities		<u>352,245.00</u>	<u>393,083.00</u>	<u>355,935.00</u>	<u>381,408.00</u>	<u>277,946.00</u>	<u>282,533.00</u>	<u>268,981.00</u>	<u>262,445.00</u>	<u>232,560.00</u>	<u>205,550.00</u>

* School facilities as defined under EFCA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

**Insurance Schedule
June 30, 2016**

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)	250,000,000	Per Occurrence	1,000
Boiler and Machinery	100,000,000	Per Occurrence	1,000
Automobile Coverage	5,000,000		500
School Board Legal Liability	5,000,000		5,000
Employers Liability	5,000,000	Per Occurrence	0
Workers Compensation	5,000,000		0
			0
Excess GL/AL	5,000,000	Per Occurrence	
Student Accident Insurance (2)	1,000,000		1,000
Surety Bonds (3)			
Treasurer	225,000		N/A
Board Secretary / Business Asministrator	225,000		N/A

- (1) School Alliance Insurance
- (2) Monumental Life Insurance
- (3) Selective Insurance

Source: District records.

SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S 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**

Honorable President and
Members of the Board of Education
Borough of Woodland Park School District
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Woodland Park School District, in the County of Passaic, New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 28, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a



material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodland Park Board of Education'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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Woodland Park Borough School District in the separate Auditors' Management Report on Administrative Findings- Financial, Compliance and Performance dated September 28, 2016.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Licensed Public School Accountant
No. 881

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September 28, 2016



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Borough of Woodland Park School District
County of Passaic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Woodland Park School District in the County of Passaic, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Woodland Park Board of Education's major federal and state programs for the year ended June 30, 2016. The Borough of Woodland Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Woodland Park Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)



and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodland Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Woodland Park Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Woodland Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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Certified Public Accountants
Pompton Lakes, New Jersey

September 28, 2016

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year Ended June 30, 2016

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Award Amount	Balance at June 30, 2015	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance at June 30, 2016		MEMO Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	
U.S. Department of Education Passed-Through State Department of Education:														
General Fund:														
Medical Assistance Program (SEMI)	93.778	160SNJ5MAP	N/A	07/01/13	06/30/14	\$ 22,046.92			(22,046.92)					*
Medical Assistance Program (SEMI)	93.778	160SNJ5MAP	N/A	07/01/15	06/30/16	28,776.29		28,776.29	(28,776.29)					*
Total General Fund								28,776.29	(28,776.29)			(22,046.92)		22,046.92
								28,776.29	(50,823.21)			(22,046.92)		28,776.29
														50,823.21
U.S. Department of Agriculture Passed-Through State Department of Education:														
Enterprise Fund:														
U.S.D.A. Commodities Program	10.555	16161NJ304NI099	N/A	07/01/14	06/30/15	31,535.96	456.77							*
U.S.D.A. Commodities Program	10.555	16161NJ304NI099	N/A	07/01/15	06/30/16	38,181.95		38,181.95	(37,718.13)			920.59		37,718.13
School Breakfast Program	10.553	16161NJ304NI099	N/A	07/01/14	06/30/15	27,734.69	(2,517.95)	2,517.95						*
School Breakfast Program	10.553	16161NJ304NI099	N/A	07/01/15	06/30/16	20,590.96		19,531.15	(20,590.96)			(1,059.81)		20,590.96
National School Lunch Program	10.555	16161NJ304NI099	N/A	07/01/14	06/30/15	225,317.86	(14,201.60)	14,201.60						*
National School Lunch Program	10.555	16161NJ304NI099	N/A	07/01/15	06/30/16	231,602.82		222,572.06	(231,602.82)			(9,030.76)		231,602.82
Total Enterprise Fund							(16,262.78)	297,004.71	(289,911.91)			(10,090.57)	920.59	289,911.91
U.S. Department of Education Passed-Through State Department of Education:														
Special Revenue Fund:														
Title I - Improving Basic Programs	84.010	S010A150030	NCLB5690-15	07/01/14	06/30/15	307,219.00	106.71			(106.71)				*
Title I - Improving Basic Programs	84.010	S010A150030	NCLB5690-16	07/01/15	06/30/16	303,537.00		303,430.00	(300,512.80)				2,917.20	300,512.80
								303,430.00	(300,512.80)				2,917.20	300,512.80
Title II-A - Teacher & Principal Training/Recruiting	84.367	S367A150029	NCLB5690-16	07/01/15	06/30/16	17,718.00		17,718.00	(17,718.00)					*
								17,718.00	(17,718.00)					17,718.00
Title III - English Language Acquisition	84.365	S365A150030	NCLB5690-16	07/01/15	06/30/16	12,031.00		12,031.00	(12,031.00)					*
								12,031.00	(12,031.00)					12,031.00
ID.E.A. Part B - Basic Regular	84.027	H027A150100	IDEA5690-16	07/01/15	06/30/16	275,803.00		275,803.00	(275,803.00)					275,803.00
ID.E.A. Part B - Preschool	84.173	H173A150114	IDEA5690-16	07/01/15	06/30/16	8,886.00		8,886.00	(8,886.00)					8,886.00
								284,689.00	(284,689.00)					284,689.00
Total Special Revenue Fund							106.71	617,868.00	(614,950.80)			(106.71)	2,917.20	614,950.80
TOTAL FEDERAL FINANCIAL AWARDS							(16,156.07)	943,649.00	(935,685.92)			(32,137.49)	920.59	955,685.92

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year Ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance at June 30, 2015		Carryover/Walkover Amount	Cush Received	Budgetary Expenditures	Adjustment/Repayment of Prior Year's Balance	Balance at June 30, 2016		MEMO
				Deferred Revenue/(Accts. Receivable)	Due To Grantor					Accounts Receivable	Deferred Revenue	
State Department of Education:												
General Fund:												
Special Education Categorical Aid	16-495-034-5120-089	07/01/15 06/30/16	661,107.00				598,856.44	(661,107.00)			*	661,107.00
Under Adequacy Aid	16-495-034-5120-096	07/01/15 06/30/16	75,596.00				68,477.80	(75,596.00)			*	75,596.00
Security Aid	16-495-034-5120-084	07/01/15 06/30/16	57,350.00				51,949.86	(57,350.00)			*	57,350.00
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15 06/30/16	11,410.00				10,335.62	(11,410.00)			*	11,410.00
PARCC Readiness Aid	16-495-034-5120-098	07/01/15 06/30/16	11,410.00				10,335.62	(11,410.00)			*	11,410.00
State Aid - Public Cluster												
Transportation Aid	16-495-034-5120-014	07/01/15 06/30/16	17,240.00				15,616.66	(17,240.00)			*	17,240.00
Extraordinary Special Education Costs Aid	15-100-034-5130-473	07/01/14 06/30/15	79,421.00	(79,421.00)			79,421.00				*	76,927.00
Extraordinary Special Education Costs Aid	16-100-034-5130-473	07/01/15 06/30/16	68,379.00					(68,379.00)			*	68,379.00
Reimbursement of Nonpublic Transportation	15-495-034-5130-014	07/01/14 06/30/15	10,092.00	(10,092.00)			10,092.00				*	5,232.00
Reimbursement of Nonpublic Transportation	16-495-034-5130-014	07/01/15 06/30/16	11,480.00					(11,480.00)			*	11,480.00
On-Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	07/01/15 06/30/16	664,997.00				664,997.00	(664,997.00)			*	664,997.00
On-Behalf TPAF - Pension	16-495-034-5094-002	07/01/15 06/30/16	531,982.00				531,982.00	(531,982.00)			*	531,982.00
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	07/01/15 06/30/16	26,500.00				26,500.00	(26,500.00)			*	26,500.00
Reimbursed TPAF - Social Security	15-495-034-5095-003	07/01/14 06/30/15	497,601.77	(24,408.30)			24,408.30				*	-
Reimbursed TPAF - Social Security	16-495-034-5094-003	07/01/15 06/30/16	502,827.88				502,974.23	(502,827.88)			*	502,827.88
Total General Fund				(113,921.30)			2,595,946.53	(2,640,278.88)			*	2,722,437.88
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program (State Share)	15-100-010-3350-023	07/01/14 06/30/15	6,004.43	(366.01)			542.85	(176.84)			*	6,004.43
National School Lunch Program (State Share)	16-100-010-3350-023	07/01/15 06/30/16	5,963.37				5,729.24	(5,963.37)			*	5,963.37
Total Enterprise Fund				(366.01)			6,272.09	(6,140.21)			*	11,967.80
TOTAL				(114,287.31)			2,602,218.62	(2,646,419.09)			*	2,734,405.68
Less On-Behalf TPAF Pension and Annuity Aid												
On-Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	07/01/15 06/30/16	664,997.00				664,997.00	(664,997.00)			*	664,997.00
On-Behalf TPAF - Pension Contributions	16-495-034-5094-002	07/01/15 06/30/16	531,982.00				531,982.00	(531,982.00)			*	531,982.00
On-Behalf TPAF - Non-contributory Insurance	16-495-034-5094-004	07/01/15 06/30/16	26,500.00				26,500.00	(26,500.00)			*	26,500.00
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION				(114,287.31)			1,378,739.62	(1,422,940.09)			*	1,510,926.68

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Woodland Park School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented 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 Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$50.00 for the general fund and \$0.00 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$50,823.21	\$2,640,328.88	\$2,691,152.09
Special Revenue Fund	614,950.80		614,950.80
Food Service Fund	<u>289,911.91</u>	<u>6,140.21</u>	<u>296,052.12</u>
Total Awards and Financial	<u>\$955,685.92</u>	<u>\$2,646,469.09</u>	<u>\$3,602,155.01</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Borough of Woodland Park School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553 and 10.555</u>	<u>1616NJ304N1099</u>	Child Nutrition Cluster: School Breakfast Program, National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? X yes no

**BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Material weakness(es) identified? yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08, as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-096 16-495-034-5120-089 16-495-034-5120-084 16-495-034-5120-097 16-495-034-5120-098	State Aid Public Cluster – Under Adequacy Aid Special Education Categorical Aid Security Aid Per Pupil Growth Aid PARCC Readiness Aid

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Status of Prior Year Findings

There were no prior year audit findings.