

**WOOD-RIDGE BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**WOOD-RIDGE, NEW JERSEY**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Wood-Ridge Board of Education**

**Wood-Ridge, New Jersey**

**For The Fiscal Year Ended June 30, 2016**

**Prepared by**

**Business Office**

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**INTRODUCTORY SECTION**

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

*Nicholas Cipriano  
Superintendent of Schools*

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

November 4, 2016

The Honorable President and Members of the Board of Education  
Wood-Ridge Board of Education  
Wood-Ridge, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Wood-Ridge Board of Education (the "Board") 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. 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 position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, the Management's Discussion and Analysis, and basic financial statements including the district-wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB). The basic financial statements also include fund financial statements, notes to financial statements and Required Supplementary Information (RSI). The statistical section includes selected economic and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendation, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Wood-Ridge Board of Education is an independent reporting entity. All funds of the District are included in this report. The Wood-Ridge Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12 for the students residing in the Borough of Wood-Ridge. These include regular, vocational as well as special education for handicapped children. The District completed the 2015-2016 fiscal year with an enrollment of 1,249 students, which shows no change over the previous year's enrollment.

## 2) ECONOMIC CONDITION AND OUTLOOK:

The Wood-Ridge area is experiencing normal growth and expansion consistent with surrounding areas. The student population remains consistent with the previous year. The state unemployment rate for 2016 is reported at 6.5%, (5.5% June 2016 national average) as reported in the US Bureau of Labor Statistics for 2016.

## 3) MAJOR INITIATIVES:

2015-2016

- Expansion of Pre School Program- Half and Full Day Sessions of Pre School
- K-12 Math articulation for curriculum and instruction alignment
- PARCC Preparation Programs- Grade 3 on Saturdays
- PARCC Preparation Extended Academic Programs for ELA and Math remediation to reduce students at risk of underachievement
- Rotating master schedule at the Jr/Sr High School
- Increase in Educational Technology (Chromebooks, iPads Projectors)
- Professional Development:
  - Online PD through Safe Schools for state mandated PD requirements
  - Writing and Math PD aligned to state assessments
  - Expansion of digital tools, Google Drive and Google Apps for educators PD to further infuse use of educational technology
  - Early literacy, early math and Tools of the Mind PD
  - Strategies for writers PD to further writing skills and achievement
- Activities to promote safe and healthy schools such as neutral zone, anti-bullying programs. Drug free schools, Week of respect and character education
- AchieveNJ implementation - all staff members evaluated to be “Effective” or “Highly Effective.”
- ScIP Committee review of AchieveNJ
- Team Leaders - fulfillment of roles and duties
- DARE education and graduation, grade 5
- NJ QSAC monitoring
- Field trips at each grade level to supplement instruction and curriculum
- Revised and added 33 curriculum maps
- Changed the Grade 6 – 12 science curriculum to meet the Next Generation standards
- Revised, to date, all policies and procedures as well as all job descriptions
- Created a school smart phone app
- Developed online professional development videos for our staff to refer to
- Developed a comprehensive online parent resource portal
- Added two additional AP courses
- Began creating an Internet café, a functional outdoor courtyard and a student lounge
- Decentralized the CST to be stationed in one of the three schools to build communication with teachers and students
- New science labs, windows, ac/heating, expanded seating in the gymnasium, added lights on the field, etc.

## 4) INTERNAL ACCOUNTING CONTROLS:

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



As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs.

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, regulations, contracts, and grants.

#### 5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2016.

#### 6) ACCOUNTING SYSTEM AND REPORTS:

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

#### 7) CASH MANAGEMENT:

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

#### 8) RISK MANAGEMENT:

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

#### 9) OTHER INFORMATION:

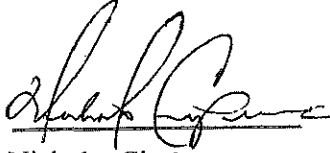
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP, was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the State Treasury OMB Circular 15-08. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Awards – The school district is extremely proud of its students, who achieve levels of distinction in academics, athletics, and service. Following are areas in which Wood-Ridge students excelled during the 2015 – 2016 school year.

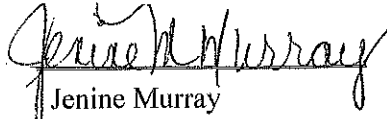
- District received the SAIF (Safety Incentive Program Award) for the fourth consecutive year. The district's insurance premium is reduced in the school year following the acknowledgement of the award.
- The Class of 2016 was offered approximately \$4million in state and private scholarships.
- The Class of 2016 accepted nearly \$1,117,200 million in scholarships and grants from colleges and universities of higher education over the course of the next four years.

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

Respectfully submitted,

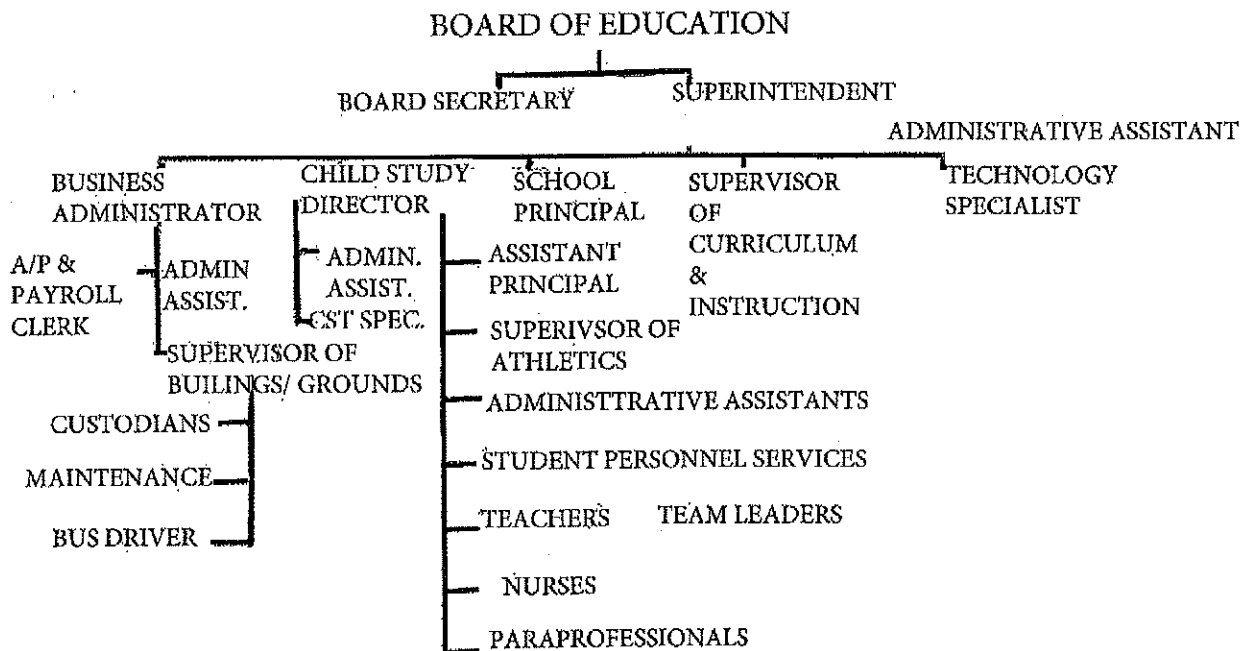


Nicholas Cipriano  
Superintendent of Schools



Jenine Murray  
Board Secretary/Business Administrator

## Wood-Ridge School District Organizational Chart



**WOOD-RIDGE BOARD OF EDUCATION**

**ROSTER OF OFFICIALS  
JUNE 30, 2016**

**MEMBERS OF THE BOARD OF EDUCATION**

**Term Expires December 31<sup>st</sup>**

Albert Nieves, President	2018
Robert Valenti, Vice President	2017
Joseph Biamonte, Jr.	2016
Christopher Garvin	2016
Thomas Schmidt	2018
Sheila King (Moonachie Representative)	

**OTHER OFFICIALS**

Nicholas Cipriano, Superintendent

Jenine M. Murray, Business Administrator/Board Secretary

**WOOD-RIDGE BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2016**

**ARCHITECT**

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

**AUDIT FIRM**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208  
Fair Lawn, New Jersey 07410

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

Capital One Bank, NA  
74 Park Avenue  
Rutherford, New Jersey 07070

**TD Bank**

109 Boulevard  
Hasbrouck Heights, New Jersey 07604

**INSURANCE**

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

**Brown & Brown**

80 Lambert Lane Suite 140  
Lambertville, New Jersey 08530

**BOND COUNSEL**

Wilentz, Goldman & Spitzer, P.A.  
90 Woodbridge Center Drive  
Suite 900 Box 10  
Woodbridge, New Jersey 07095

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Wood-Ridge Board of Education  
Wood-Ridge, 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 Wood-Ridge Board of Education, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## *Opinions*

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

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wood-Ridge Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Wood-Ridge Board of Education.


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


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



**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2016 on our consideration of the Wood-Ridge Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wood-Ridge Board of Education's internal control over financial reporting and compliance.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
November 4, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The discussion and analysis of the Wood-Ridge Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

**Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$5,761,112 (net position).
- Total School District's net position increased \$1,663,134.
- District-Wide general revenues accounted for \$16,191,198 or 63 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$9,375,927 or 37 percent of total revenues of \$25,567,125.
- Total net position of governmental activities was \$5,708,168 as of June 30, 2016 an increase of \$1,653,256 from the previous year.
- The District had \$23,473,641 in expenses related to governmental activities; only \$8,935,699 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16,191,198 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$20,186,682 in revenues, \$20,533,227 in expenditures. The General Fund's fund balance increased \$1,021,326 from the previous year to \$2,441,235 at June 30, 2016.
- The General Fund unassigned budgetary fund balance increased \$15,805 from the previous year to \$464,409 at June 30, 2016.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Using the Comprehensive Annual Financial Report (CAFR)**

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds. In the case of the Wood-Ridge Board of Education, the General Fund is by far the most significant fund.

**Reporting the District as a Whole**

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2016?" The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the District as a whole, if the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's Governmental Funds are the General, Special Revenue, Capital Projects and Debt Service Funds.

**Governmental Funds**

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

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

**Notes to the Financial Statements**

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

**The District as a Whole**

The Statement of Net Position provides the perspectives of the District as a whole, showing assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The following provides a summary of the District's net position as of June 30, 2016 and 2015.

	Net Position					
	As of June 30, 2016 and 2015					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Current Assets	\$ 9,856,354	\$ 2,970,289	\$ 109,900	\$ 123,426	\$ 9,966,254	\$ 3,093,715
Capital Assets	<u>15,651,024</u>	<u>10,058,064</u>	<u>18,672</u>	<u>22,195</u>	<u>15,669,696</u>	<u>10,080,259</u>
<b>Total Assets</b>	<u>25,507,378</u>	<u>13,028,353</u>	<u>128,572</u>	<u>145,621</u>	<u>25,635,950</u>	<u>13,173,974</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Amount on Refunding of Debt	171,629	230,259			171,629	230,259
Deferred Amount on Net Pension Liability	<u>784,638</u>	<u>345,631</u>	<u>-</u>	<u>-</u>	<u>784,638</u>	<u>345,631</u>
<b>Total Deferred Outflows of Resources</b>	<u>956,267</u>	<u>575,890</u>	<u>-</u>	<u>-</u>	<u>956,267</u>	<u>575,890</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>26,463,645</u>	<u>13,604,243</u>	<u>128,572</u>	<u>145,621</u>	<u>26,592,217</u>	<u>13,749,864</u>
<b>LIABILITIES</b>						
Other Liabilities	11,440,345	405,003	75,628	102,555	11,515,973	507,558
Long-Term Liabilities	<u>9,196,141</u>	<u>8,913,127</u>	<u>-</u>	<u>-</u>	<u>9,196,141</u>	<u>8,913,127</u>
<b>Total Liabilities</b>	<u>20,636,486</u>	<u>9,318,130</u>	<u>75,628</u>	<u>102,555</u>	<u>20,712,114</u>	<u>9,420,685</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Amount on Net Pension Liability	<u>118,991</u>	<u>231,201</u>	<u>-</u>	<u>-</u>	<u>118,991</u>	<u>231,201</u>
<b>Total Deferred Inflows of Resources</b>	<u>118,991</u>	<u>231,201</u>	<u>-</u>	<u>-</u>	<u>118,991</u>	<u>231,201</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>20,755,477</u>	<u>9,549,331</u>	<u>75,628</u>	<u>102,555</u>	<u>20,831,105</u>	<u>9,651,886</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	11,526,293	5,653,064	18,672	22,195	11,544,965	5,675,259
Restricted	1,708,974	1,960,762			1,708,974	1,960,762
Unrestricted	<u>(7,527,099)</u>	<u>(3,558,914)</u>	<u>34,272</u>	<u>20,871</u>	<u>(7,492,827)</u>	<u>(3,538,043)</u>
<b>Total Net Position</b>	<u>\$ 5,708,168</u>	<u>\$ 4,054,912</u>	<u>\$ 52,944</u>	<u>\$ 43,066</u>	<u>\$ 5,761,112</u>	<u>\$ 4,097,978</u>

The District's combined net position was \$5,761,112 at June 30, 2016, which was an increase of \$1,663,134 or 41 percent from the prior year. The increase is mainly attributable to an increase in District's capital assets.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The following schedule shows changes in net position for fiscal years ended June 30, 2016 and 2015

**Change in Net Position**  
**for the Fiscal Years Ended June 30, 2016 and 2015**

Revenues	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,763,160	\$ 1,826,417	\$ 299,859	\$ 293,568	\$ 2,063,019	\$ 2,119,985
Operating Grants and Contributions	4,754,846	4,175,286	140,369	128,131	4,895,215	4,303,417
Capital Grants and Contributions	2,417,693				2,417,693	
General Revenues						
Property Taxes	16,002,622	15,567,980			16,002,622	15,567,980
Unrestricted State Aid	64,796	66,645			64,796	66,645
Other	123,780	239,736	-	-	123,780	239,736
<b>Total Revenues</b>	<b>25,126,897</b>	<b>21,876,064</b>	<b>440,228</b>	<b>421,699</b>	<b>25,567,125</b>	<b>22,297,763</b>
<b>Expenses</b>						
Instruction						
Regular	9,062,055	7,816,874			9,062,055	7,816,874
Special Education	4,846,677	2,030,456			4,846,677	2,030,456
Other Instruction	440,860	328,771			440,860	328,771
School Sponsored Activities and Athletics	600,628	520,805			600,628	520,805
Support Services						
Tuition		3,239,564				
Student and Instruction Related Services	2,837,800	2,680,711			2,837,800	2,680,711
General Administration Services	818,285	864,169			818,285	864,169
School Administration Services	1,175,087	1,211,279			1,175,087	1,211,279
Central and Other Support Services	680,796	597,531			680,796	597,531
Plant Operations and Maintenance	2,239,654	1,531,313			2,239,654	1,531,313
Pupil Transportation	608,408	712,044			608,408	712,044
Interest on Long Term Debt	163,391	130,840			163,391	130,840
Unallocated Depreciation		246,648				246,648
Capital Outlay		29,575				29,575
Transfer to Charter School		56,186				56,186
Food Service	-	-	430,350	430,064	430,350	430,064
<b>Total Expenses</b>	<b>23,473,641</b>	<b>21,996,766</b>	<b>430,350</b>	<b>430,064</b>	<b>23,903,991</b>	<b>22,426,830</b>
<b>Change in Net Position</b>	<b>1,653,256</b>	<b>(120,702)</b>	<b>9,878</b>	<b>(8,365)</b>	<b>1,663,134</b>	<b>(129,067)</b>
<b>Beginning of Year, Net Position</b>	<b>4,054,912</b>	<b>4,360,761</b>	<b>43,066</b>	<b>51,431</b>	<b>4,097,978</b>	<b>4,412,192</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(185,147)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(185,147)</b>
<b>Ending of Year, Net Position</b>	<b>\$ 5,708,168</b>	<b>\$ 4,054,912</b>	<b>\$ 52,944</b>	<b>\$ 43,066</b>	<b>\$ 5,761,112</b>	<b>\$ 4,097,978</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Governmental Activities**

The District's total revenues were \$25,126,897 and \$21,876,064 for the fiscal years ended June 30, 2016 and 2015, respectively. Property taxes comprised 64 percent and 71 percent of revenues for governmental activities for fiscal years ended June 30, 2016 and 2015, respectively. Federal, state and local grants of \$7,237,335 and \$4,241,931 accounted for another 29 percent and 19 percent of revenues for the fiscal years ended June 30, 2016 and 2015, respectively. The increase in federal, state and local grants for the current year is largely due to the additional on-behalf TPAF pension contributions realized during the current fiscal year.

The total cost of all programs and services was \$23,473,641 and \$21,996,766 for the fiscal years ended June 30, 2016 and 2015, respectively. The increase in expenses for the current year is also due to the additional on-behalf TPAF pension contributions reported for the District. Instruction comprises 64 and 49 percent of governmental program expenses for the fiscal years ended June 30, 2016 and 2015, respectively. Support services expenses make up 36 and 49 percent of governmental expenses for the fiscal years ended June 30, 2016 and 2015, respectively. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The schedule below shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue.

**Total and Net Cost of Services**  
**for the Fiscal Years Ended June 30, 2016 and 2015**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Instruction</b>				
Regular	\$ 9,062,055	\$ 7,816,874	\$ 4,994,259	\$ 4,489,777
Special Education	4,846,677	2,030,456	3,394,400	660,039
Other Instruction	440,860	328,771	326,338	245,812
School Sponsored Activities and Athletics	600,628	520,805	467,382	409,892
<b>Support Services</b>				
Tuition		3,239,564		2,984,428
Student and Instruction Related Services	2,837,800	2,680,711	2,459,431	2,410,994
General Administration Services	818,285	864,169	752,912	618,421
School Administration Services	1,175,087	1,211,279	967,925	903,141
Central and Other Support Services	680,796	597,531	633,091	597,531
Plant Operations and Maintenance	2,239,654	1,531,313	(197,227)	1,531,313
Pupil Transportation	608,408	712,044	576,040	680,466
Unallocated Depreciation		246,648		246,648
Capital Outlay		29,575		29,575
Transfer to Charter School		56,186		56,186
Interest on Long Term Debt	163,391	130,840	163,391	130,840
<b>Total</b>	<b><u>\$ 23,473,641</u></b>	<b><u>\$ 21,996,766</u></b>	<b><u>\$ 14,537,942</u></b>	<b><u>\$ 15,995,063</u></b>

The dependence of tax revenues to support governmental activities is apparent.



**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues of \$440,228 and expenses of \$430,350 during the fiscal year ended June 30, 2016. Of the revenues, \$299,859 and \$293,568 were charges for services paid by patrons for daily food service, \$140,369 and \$128,131 were from State and Federal reimbursements for the fiscal years ended June 30, 2016 and 2015, respectively.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,155,453 and \$20,348,769 and expenditures were \$27,309,268 and \$22,006,086 for the fiscal years ended June 30, 2016 and 2015, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2016 and 2015.

<u>Revenue</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2016</u>	<u>2015</u>		
Local Sources	\$ 17,909,845	\$ 17,641,837	\$ 268,008	2%
State Sources	4,861,543	2,365,307	2,496,236	106%
Federal Sources	384,065	341,625	42,440	12%
Total	<u>\$ 23,155,453</u>	<u>\$ 20,348,769</u>	<u>\$ 2,806,684</u>	14%

For fiscal year 2016 total governmental revenues increased \$2,806,684 or 14% from the previous year. The increase in local sources of \$268,008 or 2% was attributable to an increase in property taxes to support increases in budgeted operating costs. As indicated state sources increased \$2,496,236 or 106% mainly due to an increase in on-behalf pension and post-retirement medical benefit contributions made by the State for the District's professional teaching staff. The increase in federal sources of \$42,440 or 12% was a result of increased grant funds earned from NCLB and IDEA grant programs.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2016 and 2015.

<u>Expenditure</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2016</u>	<u>2015</u>		
Current Expense:				
Instruction	\$ 13,305,113	\$ 7,204,023	\$ 6,101,090	85%
Support Services	7,562,989	12,729,480	(5,166,491)	-41%
Debt Service	528,315	458,350	69,965	15%
Capital Outlay	<u>5,912,851</u>	<u>1,614,233</u>	<u>4,298,618</u>	266%
<b>Total</b>	<b><u>\$ 27,309,268</u></b>	<b><u>\$ 22,006,086</u></b>	<b><u>\$ 5,303,182</u></b>	<b>24.1%</b>

For fiscal year 2016, total governmental funds expenditures decreased \$5,303,182 or 24%. Increases in instruction costs were attributable to special education programs and decreases in support services costs were attributable to administrative services, as well as plant operations and maintenance costs. Capital outlay increased significantly as a result of the activity related to the 2014 referendum project.

Of the governmental funds, the General Fund had \$20,186,682 in revenues (predominately property taxes), \$20,533,227 in expenditures. Other financing sources resulting from a transfer of excess capital reserve from the Capital Projects Fund totaled \$1,950,190. As a result the General Fund's fund balance increased \$1,021,326 from \$1,419,909 at June 30, 2015 to \$2,441,235 at June 30, 2016.

**General Fund Budgetary Highlights**

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

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

For the fiscal year 2016 General Fund budgetary revenues and other financing sources were more than budgetary expenditures and other financing uses increasing budgetary fund balance \$1,239,615. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$15,805 from an unassigned fund balance of \$448,604 at June 30, 2015 to \$464,409 at June 30, 2016. In addition, restricted fund balance for capital reserve increased \$1,420,739 from \$188,234 at June 30, 2015 to \$1,608,973 at June 30, 2016.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Capital Assets**

At the end of fiscal years 2016 and 2015, the District had \$15,669,696 and \$10,080,259 invested in construction in progress, buildings, land improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$5,589,437 from fiscal year 2015 to fiscal year 2016. The following schedule is a comparison of capital assets net of depreciation at June 30, 2016 and 2015.

**Capital Assets, Net of Depreciation**  
**As of June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Construction in Progress	\$ 7,298,654	\$ 1,541,736		
Land Improvements	121,829	131,049		
Building and Building Improvements	8,034,773	8,227,831		
Machinery and Equipment	<u>195,768</u>	<u>157,448</u>	\$ 18,672	\$ 22,195
 Total	 <u>\$ 15,651,024</u>	 <u>\$ 10,058,064</u>	 <u>\$ 18,672</u>	 <u>\$ 22,195</u>

Additional information on Wood-Ridge Board of Education's capital assets can be found in Note 4 of this report.

**Long-Term Liabilities**

At June 30, 2016 and 2015, the District had \$9,196,141 and \$8,913,127 of long-term liabilities, respectively. Of this amount, \$4,296,360 and \$4,651,694 is for school refunding bonds, \$121,465 and \$185,147 is for capital leases, \$190,760 and \$196,724 is for compensated absences and \$4,587,556 and \$3,879,562 is for the District's net pension liability, respectively. For fiscal year 2016 total outstanding long-term liabilities increased by \$283,014 from the prior year.

**Long-Term Liabilities**  
**As of June 30, 2016 and 2015**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Serial Bonds Payable (including premium)	\$ 4,296,360	\$ 4,651,694
Capital Leases	121,465	185,147
Compensated Absences	190,760	196,724
Net Pension Liability	<u>4,587,556</u>	<u>3,879,562</u>
 Total	 <u>\$ 9,196,141</u>	 <u>\$ 8,913,127</u>

Additional information on Wood-Ridge Board of Education's long-term liabilities can be found in Note 4 of this report.

**WOOD-RIDGE BOARD OF EDUCATION**  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2016***

**For the Future**

The Wood-Ridge Board of Education is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District with the increased reliance on local property taxes.

Wood-Ridge Board of Education's budget for 2016-2017 was approved by the Board in April of 2016. Budgeted expenditures in the General Fund increased 6.8% to \$21,185,548 for fiscal year 2016-2017.

In conclusion, the Wood-Ridge Board of Education has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the District's Financial Management**

This financial report is designed to provide the 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 the School Business Administrator/Board Secretary at Wood-Ridge Board of Education, 540 Windsor Road, New Jersey 07075.

**BASIC FINANCIAL STATEMENTS**

**WOOD-RIDGE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,426,611	\$ 102,170	\$ 3,528,781
Receivables, net	6,429,743	5,537	6,435,280
Inventory		2,193	2,193
Capital Assets			
Not Being Depreciated	7,298,654		7,298,654
Being Depreciated, Net	8,352,370	18,672	8,371,042
Total Assets	<u>25,507,378</u>	<u>128,572</u>	<u>25,635,950</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	171,629		171,629
Deferred Amount of Net Pension Liability	784,638		784,638
Total Deferred Outflows of Resources	<u>956,267</u>		<u>956,267</u>
Total Assets and Deferred Outflows of Resources	<u>26,463,645</u>	<u>128,572</u>	<u>26,592,217</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,942,352	75,628	2,017,980
Due to Other Funds	1,462		1,462
Loan Payable	7,000,000		7,000,000
Unearned Revenue	2,440,500		2,440,500
Accrued Interest Payable	56,031		56,031
Noncurrent Liabilities			
Due Within One Year	425,956		425,956
Due Beyond One Year	8,770,185		8,770,185
Total Liabilities	<u>20,636,486</u>	<u>75,628</u>	<u>20,712,114</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount of Net Pension Liability	118,991		118,991
Total Deferred Inflows of Resources	<u>118,991</u>	<u>-</u>	<u>118,991</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,755,477</u>	<u>75,628</u>	<u>20,831,105</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,526,293	18,672	11,544,965
Restricted for:			
Debt Service	1		1
Capital Projects	1,608,973		1,608,973
Other Purposes	100,000		100,000
Unrestricted	(7,527,099)	34,272	(7,492,827)
Total Net Position	<u>\$ 5,708,168</u>	<u>\$ 52,944</u>	<u>\$ 5,761,112</u>

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

**WOOD-RIDGE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 9,062,055	\$ 1,763,160	\$ 2,304,636		\$ (4,994,259)		\$ (4,994,259)
Special Education	4,846,677		1,452,277		(3,394,400)		(3,394,400)
Other Instruction	440,860		114,522		(326,338)		(326,338)
School Sponsored Activities and Athletics	600,628		133,246		(467,382)		(467,382)
Support Services							
Student and Instruction Related Svcs.	2,837,800		378,369		(2,459,431)		(2,459,431)
General Administrative Services	818,285		65,373		(752,912)		(752,912)
School Administrative Services	1,175,087		207,162		(967,925)		(967,925)
Plant Operations and Maintenance	2,239,654		19,188	\$ 2,417,693	197,227		197,227
Pupil Transportation	608,408		32,368		(576,040)		(576,040)
Business Services	680,796		47,705		(633,091)		(633,091)
Interest on Long-Term Debt	163,391				(163,391)	-	(163,391)
Total Governmental Activities	23,473,641	1,763,160	4,754,846	2,417,693	(14,537,942)	-	(14,537,942)
<b>Business-Type Activities</b>							
Food Service	430,350	299,859	140,369	-		\$ 9,878	9,878
Total Business-Type Activities	430,350	299,859	140,369	-	-	9,878	9,878
<b>Total Primary Government</b>	<b>\$ 23,903,991</b>	<b>\$ 2,063,019</b>	<b>\$ 4,895,215</b>	<b>\$ 2,417,693</b>	<b>(14,537,942)</b>	<b>9,878</b>	<b>(14,528,064)</b>
<b>General Revenues:</b>							
Property Taxes, Levied for General Purposes					15,875,422		15,875,422
Property Taxes, Levied for Debt Service					127,200		127,200
State Aid - Unrestricted					64,796		64,796
Miscellaneous Income					123,780		123,780
Total General Revenues					16,191,198	-	16,191,198
Change in Net Position					1,653,256	9,878	1,663,134
Net Position, Beginning of Year (Restated)					4,054,912	43,066	4,097,978
Net Position, End of Year					\$ 5,708,168	\$ 52,944	\$ 5,761,112

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

**FUND FINANCIAL STATEMENTS**



**WOOD-RIDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,355,850		\$ 2,070,760	\$ 1	\$ 3,426,611
Due From Other Funds	115,802				115,802
Receivables, Net					
Receivables From Other Governments	<u>1,462,251</u>	<u>\$ 145,532</u>	<u>4,821,960</u>	<u>-</u>	<u>6,429,743</u>
Total Assets	<u>\$ 2,933,903</u>	<u>\$ 145,532</u>	<u>\$ 6,892,720</u>	<u>\$ 1</u>	<u>\$ 9,972,156</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 473,206	\$ 11,497	\$ 1,457,649		\$ 1,942,352
Note Payable			7,000,000		7,000,000
Due To Other Funds	1,462	115,802			117,264
Unearned Revenue	<u>18,000</u>	<u>18,233</u>	<u>2,404,267</u>	<u>-</u>	<u>2,440,500</u>
Total Liabilities	<u>492,668</u>	<u>145,532</u>	<u>10,861,916</u>	<u>-</u>	<u>11,500,116</u>
<b>Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Excess Surplus - Designated for Subsequent Year's Budget	102,140				102,140
Capital Reserve	1,608,973				1,608,973
Emergency Reserve- Designated for Subsequent Year's Budget	100,000				100,000
Capital Projects			(3,969,196)		(3,969,196)
Debt Service				\$ 1	1
<b>Assigned Fund Balance</b>					
Designated for Subsequent Year's Budget	319,059				319,059
Encumbrances	105,520				105,520
Unassigned Fund Balance	<u>205,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,543</u>
Total Fund Balances	<u>2,441,235</u>	<u>-</u>	<u>(3,969,196)</u>	<u>1</u>	<u>(1,527,960)</u>
Total Liabilities and Fund Balances	<u>\$ 2,933,903</u>	<u>\$ 145,532</u>	<u>\$ 6,892,720</u>	<u>\$ 1</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 \$21,351,135 and the accumulated depreciation is \$5,700,111. 15,651,024

Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (9,196,141)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 171,629

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (56,031)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 784,638	
Deferred Inflows of Resources	<u>(118,991)</u>	<u>665,647</u>

**Net Position of Governmental Activities** \$ 5,708,168

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

**WOOD-RIDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 15,875,422			\$ 127,200	\$ 16,002,622
Tuition	1,763,160				1,763,160
Rentals	41,100				41,100
Miscellaneous	63,150	\$ 20,283	\$ 19,530		102,963
Total - Local Sources	17,742,832	20,283	19,530	127,200	17,909,845
State Sources	2,443,850		2,417,693		4,861,543
Federal Sources	-	384,065			384,065
Total Revenues	20,186,682	404,348	2,437,223	127,200	23,155,453
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	7,719,860	109,426			7,829,286
Special Education Instruction	4,291,915	276,708			4,568,623
Other Instruction	378,792				378,792
School Sponsored Activities and Athletics	528,412				528,412
Support Services					
Student and Instruction Related Services	2,600,541	18,214			2,618,755
General Administrative Services	761,737				761,737
School Administrative Services	1,026,878				1,026,878
Plant Operations and Maintenance	1,913,430		1,642		1,915,072
Pupil Transportation	605,110				605,110
Business Services	635,437				635,437
Debt Service					
Principal	63,682			330,000	393,682
Interest	7,433			127,200	134,633
Capital Outlay			5,912,851		5,912,851
Total Expenditures	20,533,227	404,348	5,914,493	457,200	27,309,268
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(346,545)	-	(3,477,270)	(330,000)	(4,153,815)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,950,190		500,000	330,000	2,780,190
Transfers Out	(582,319)		(2,197,871)		(2,780,190)
Total Other Financing Sources and Uses	1,367,871	-	(1,697,871)	330,000	-
Net Change in Fund Balance	1,021,326	-	(5,175,141)	-	(4,153,815)
Fund Balance, Beginning of Year	1,419,909	-	1,205,945	1	2,625,855
Fund Balance, End of Year	\$ 2,441,235	\$ -	\$ (3,969,196)	\$ 1	\$ (1,527,960)

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

**WOOD-RIDGE BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ (4,153,815)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.

Capital Outlay	\$	5,912,851	
Depreciation Expense		<u>(319,891)</u>	
			5,592,960

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on Statement of Activities.

Principal Repayments			
Bonds Payable		330,000	
Capital Leases Payable		<u>63,682</u>	
			393,682

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon the issuance of debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Deferred Amount on Refunding		(58,630)	
Original Issue Premium		<u>25,334</u>	
			(33,296)

In the statement of activities, certain operating expenses-compensated absences, pension expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Net Decrease in Compensated Absences		5,964	
Net Increase in Pension Expense		(156,777)	

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>4,538</u>	
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 1,653,256**

**WOOD-RIDGE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

**ASSETS**

## Current Assets

Cash and Cash Equivalents	\$ 102,170
Intergovernmental Receivable	
State	186
Federal	5,351
Inventories	2,193
	109,900
Total Current Assets	109,900

## Noncurrent Assets

Furniture, Machinery and Equipment	79,042
Less Accumulated Depreciation	(60,370)
	18,672

Total Capital Assets, Net	18,672
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Total Assets	128,572
--------------	---------

**LIABILITIES**

Accounts Payable	75,628
------------------	--------

Total Liabilities	75,628
-------------------	--------

**NET POSITION**

Investment in Capital Assets	18,672
------------------------------	--------

Unrestricted	34,272
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Total Net Position	\$ 52,944
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WOOD-RIDGE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**OPERATING REVENUES**

Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 189,503
Non-Reimbursable Programs	109,215
Special Functions	1,141
	<hr/>
Total Operating Revenues	299,859
	<hr/>

**OPERATING EXPENSES**

Cost of Sales	
Reimbursable Programs	145,514
Non-Reimbursable Programs	44,620
Salaries and Benefits	167,780
Management Fee	24,084
Other Purchased Services	22,620
Supplies and Materials	14,845
Miscellaneous Expenses	7,364
Depreciation	3,523
	<hr/>
Total Operating Expenses	430,350
	<hr/>

Operating Income/(Loss)	<u>(130,491)</u>
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**NONOPERATING REVENUES**

State Sources	
School Lunch Program	3,786
Federal Sources	
Food Distribution Program	29,063
National School Lunch Program	96,809
School Breakfast Program	10,711
	<hr/>
Total Nonoperating Revenues	140,369
	<hr/>

Change in Net Position	9,878
Net Position, Beginning of Year	<u>43,066</u>
Net Position, End of Year	<u><u>\$ 52,944</u></u>

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

**WOOD-RIDGE BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	\$ 299,859
Payments for Employees Salaries and Benefits	(167,780)
Payments to Suppliers for Goods and Services	<u>(257,116)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(125,037)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State and Federal Subsidy Reimbursements	<u>111,768</u>
Net Cash Provided by Noncapital Financing Activities	<u>111,768</u>
Net Change in Cash and Cash Equivalents	(13,269)
Cash and Cash Equivalents, Beginning of Year	<u>115,439</u>
Cash and Cash Equivalents, End of Year	<u>\$ 102,170</u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided/  
(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (130,491)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities	
Non-Cash Federal Assistance- National School Lunch Program (Food Distribution)	29,063
Depreciation	3,523
Changes in Assets and Liabilities	
(Increase) Decrease in Inventories	(205)
Increase (Decrease) in Accounts Payable	<u>(26,927)</u>
Total Adjustments	<u>5,454</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (125,037)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution)	<u>\$ 29,063</u>

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

**WOOD-RIDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,133	\$ 84,928	\$ 153,438
Due From Other Funds		-	1,462
	<u>15,133</u>	<u>84,928</u>	<u>\$ 154,900</u>
<b>LIABILITIES</b>			
Intergovernmental Payable		\$ 3,975	
Due To Student Groups			\$ 112,037
Payroll Deductions and Withholdings			13,101
Accrued Salaries and Wages			17,418
Reserve for Flexible Spending			12,344
	<u>-</u>	<u>3,975</u>	<u>\$ 154,900</u>
<b>NET POSITION</b>			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 15,133</u>	<u>\$ 80,953</u>	

**WOOD-RIDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Scholarship Trust Fund</b>	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>		
Investment Earnings		
Interest	\$ 9	
Payroll Deductions		\$ 28,504
	9	28,504
Total Additions	9	28,504
<b>DEDUCTIONS</b>		
Scholarships Awards	750	
Unemployment Claims and Contributions		24,254
	750	24,254
Total Deductions	750	24,254
Change in Net Position	(741)	4,250
Net Position, Beginning of Year	15,874	76,703
Net Position, End of Year	\$ 15,133	\$ 80,953

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



**NOTES TO THE FINANCIAL STATEMENTS**

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Wood-Ridge Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials from the Borough of Wood-Ridge and one appointed representative from the Moonachie Board of Education and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. 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 reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Wood-Ridge Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*, June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB 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*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that 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.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, 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*. 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 for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

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

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. *Capital Assets (Continued)***

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	10
Machinery and Equipment	5-10

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arise only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused vacation and sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. *Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**9. *Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Excess Surplus – Designated for Subsequent Year's Budget* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3.)

*Emergency Reserve Designated for Subsequent Year's Budget* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to represent the June 30, 2016 reserve funds that were appropriated in the 2016/17 original budget certified for taxes.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**9. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

*Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

*Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

*Tuition Expenditures* - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ (4,075,000)
Issuance Premium (to be amortized over life of debt)	(221,360)
Capital Leases Payable	(121,465)
Compensated Absences	(190,760)
Net Pension Liability	<u>(4,587,556)</u>
 Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	 <u>\$ (9,196,141)</u>

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution during the 2011/12 school year to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not permitted.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$663,482. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Deficit Fund Equity**

The District has an accumulated deficit in fund balance of \$3,969,196 in the Capital Projects Fund as of June 30, 2016. This deficit is the result of the District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

**C. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 188,234
Increased by:		
Transfers from Capital Projects Fund	\$ 1,930,660	
Deposits Approved by Board Resolution	<u>72,398</u>	
		<u>2,003,058</u>
Withdrawals:		
Approved Transfers		
Debt Service Fund	82,319	
Capital Projects Fund	<u>500,000</u>	
		<u>582,319</u>
Balance, June 30, 2016		<u>\$ 1,608,973</u>

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	<u>\$ 100,000</u>
Balance, June 30, 2016	<u>\$ 100,000</u>

The Board designated the emergency reserve balance of \$100,000 to fund expenditures in the 2016/17 school budget.

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$102,140. This amount was designated and appropriated in the 2016/2017 original budget certified for taxes.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$3,782,280 and bank and brokerage firm balances of the Board's deposits amounted to \$4,182,509. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>4,182,509</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2016, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 145,532		\$ 5,351	\$ 150,883
State	\$ 25,113		\$ 4,821,960	186	4,847,259
Property Taxes	1,333,557				1,333,557
Local	<u>103,581</u>	-	-	-	<u>103,581</u>
Gross Receivables	1,462,251	145,532	4,821,960	5,537	6,435,280
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,462,251</u>	<u>\$ 145,532</u>	<u>\$ 4,821,960</u>	<u>\$ 5,537</u>	<u>\$ 6,435,280</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Prepaid Tuition Revenue	\$ 18,000
Special Revenue Fund	
Unencumbered Grant Draw Downs	10,832
Grant Draw Downs Reserved for Encumbrances	7,401
Capital Projects fund	
Unrealized School Facilities Grants	<u>2,404,267</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 2,440,500</u>



**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

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

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 1,541,736	\$ 5,756,918	-	\$ 7,298,654
Total Capital Assets, Not Being Depreciated	<u>1,541,736</u>	<u>5,756,918</u>	<u>-</u>	<u>7,298,654</u>
Capital Assets, Being Depreciated:				
Land Improvements	294,009			294,009
Buildings and Building Improvements	12,460,175	46,300		12,506,475
Machinery and equipment	1,152,364	109,633	\$ (10,000)	1,251,997
Total Capital Assets Being Depreciated	<u>13,906,548</u>	<u>155,933</u>	<u>(10,000)</u>	<u>14,052,481</u>
Less Accumulated Depreciation for:				
Land Improvements	(162,960)	(9,220)		(172,180)
Buildings and Building Improvements	(4,232,344)	(239,358)		(4,471,702)
Machinery and Equipment	(994,916)	(71,313)	10,000	(1,056,229)
Total Accumulated Depreciation	<u>(5,390,220)</u>	<u>(319,891)</u>	<u>10,000</u>	<u>(5,700,111)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,516,328</u>	<u>(163,958)</u>	<u>-</u>	<u>8,352,370</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,058,064</u>	<u>\$ 5,592,960</u>	<u>\$ -</u>	<u>\$ 15,651,024</u>

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 79,042	-	-	\$ 79,042
Total Capital Assets Being Depreciated	<u>79,042</u>	-	-	<u>79,042</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(56,847)	\$ (3,523)	-	(60,370)
Total Accumulated Depreciation	<u>(56,847)</u>	<u>(3,523)</u>	-	<u>(60,370)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 22,195</u>	<u>\$ (3,523)</u>	<u>\$ -</u>	<u>\$ 18,672</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 43,025
Total Instruction	<u>43,025</u>
Support Services	
Support Services-Students	3,172
General Administration	5,033
School Administration	17,745
Plant Operations And Maintenance	250,916
Total Support Services	<u>276,866</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 319,891</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 3,523</u>

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments (Modify)**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Window Replacement at High School, Ostrovsky and Doyle Schools	\$ 560,658	\$ 1,590,143
Exterior Doors at High School, Ostrovsky and Doyle Schools	154,507	116,493
HVAC/Boiler Replacement at Ostrovsky Gymnasium and Doyle School	2,566,326	143,674
Science Classroom Renovations at High School	-0-	<u>698,500</u>
 Total		 <u>\$ 2,548,810</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 115,802
Payroll Agency Fund	General Fund	<u>1,462</u>
		 <u>\$ 117,264</u>

The above balances are the result of receipts received in one fund which are due to another fund and/or to cover cash balances which were in an overdraft position.

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

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	Transfer In:			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
<u>Transfer Out:</u>				
General Fund		\$ 500,000	\$ 82,319	\$ 582,319
Capital Projects Fund	\$ 1,950,190	-	247,681	2,197,871
	<u>\$ 1,950,190</u>	<u>\$ 500,000</u>	<u>\$ 330,000</u>	<u>\$ 2,780,190</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2016 were \$26,100. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 26,100
2018	26,100
2019	26,100
2020	21,750
Total	<u>\$ 100,050</u>

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases**

The District is leasing computer equipment and hand-held radios totaling \$258,353 under capital leases. The leases are for terms of 4 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Fiscal Year Ending June 30,	Governmental Activities
2017	\$ 66,496
2018	61,877
Total minimum lease payments	128,373
Less: amount representing interest	(6,908)
Present value of minimum lease payments	<u>\$ 121,465</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2016 are comprised of the following issues:

\$4,450,000, 2013 Refunding Bonds, due in annual installments of \$345,000 to \$460,000 through July 15, 2025 interest at 3.0%	<u>\$ 4,075,000</u>
--	---------------------

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2017	\$ 345,000	\$ 117,075	\$ 462,075
2018	360,000	106,500	466,500
2019	375,000	95,475	470,475
2020	390,000	84,000	474,000
2021	400,000	72,150	472,150
2022-2026	<u>2,205,000</u>	<u>168,825</u>	<u>2,373,825</u>
	<u>\$ 4,075,000</u>	<u>\$ 644,025</u>	<u>\$ 4,719,025</u>

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

3% of Equalized Valuation Basis (Municipal)		\$ 46,410,812
Less: Net Debt Issued	\$11,075,000	
Debt Authorized But Not Issued	<u>2,377,513</u>	
		<u>13,452,513</u>
Remaining Borrowing Power		<u>\$ 32,958,299</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	(Restated) Balance, July 1, 2015	Additions	Reductions	Balance, June 30, 2016	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 4,405,000		\$ 330,000	\$ 4,075,000	\$ 345,000
Add: Premium on Refunding	<u>246,694</u>	<u>-</u>	<u>25,334</u>	<u>221,360</u>	<u>-</u>
Bonds Payable, Net	4,651,694	-	355,334	4,296,360	345,000
Capital Leases	185,147		63,682	121,465	61,880
Compensated Absences	196,724		5,964	190,760	19,076
Net Pension Liability	<u>3,879,562</u>	<u>\$ 883,692</u>	<u>175,698</u>	<u>4,587,556</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 8,913,127</u>	<u>\$ 883,692</u>	<u>\$ 600,678</u>	<u>\$ 9,196,141</u>	<u>\$ 425,956</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Short-Term Debt**

The Board's short-term activity for the fiscal year ended June 30, 2016 was as follows:

**Bond Anticipation Notes**

The Board issued Bond Anticipation Notes ("Project Notes") to interim finance the 2014 referendum capital projects. The Board's short-term debt activity for the fiscal year ended June 30, 2016 was as follows:

<u>Purpose</u>	<u>Rate %</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
2016 Referendum - Various Improvements	1.00	11/4/2016	-	7,000,000	-	7,000,000
			<u>\$ -</u>	<u>\$ 7,000,000</u>	<u>\$ -</u>	<u>\$ 7,000,000</u>

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date; provided however that notes are not renewed beyond the third anniversary date of the originals unless an amount of such notes equal to the first legally payable installment of the bonds such notes were issued in anticipation of are paid and retired in each subsequent year.

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the School Alliance Insurance Fund (SAIG). The Fund is a risk sharing public entity pool, established for the purpose of insuring against various insurance claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

SAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016		\$ 28,504	\$ 24,254	\$ 80,953
2015		30,113	34,221	76,703
2014	\$ 48,125	26,528	70,209	80,811

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.



**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.9 percent and \$22.4 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. 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. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 175,698	\$ 522,647	\$ 7,270
2015	170,822	349,399	9,475
2014	145,692	276,055	

For fiscal years 2015/2016 and 2014/2015, the state contributed \$522,647 and \$349,399, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$276,055 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$512,157 during the fiscal 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 recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$4,587,556 for its proportionate share of the PERS 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 proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .02044 percent, which was a decrease of .00028 percent from its proportionate share measured as of June 30, 2014 of .02072 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$332,475 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 109,443	
Changes of Assumptions	492,667	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 73,759
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>182,528</u>	<u>45,232</u>
Total	<u>\$ 784,638</u>	<u>\$ 118,991</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 127,533
2018	127,533
2019	127,533
2020	185,333
2021	<u>97,715</u>
	<u>\$ 665,647</u>

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

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

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' 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 US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	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%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was 4.90%.

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 5,701,771</u>	<u>\$ 4,587,556</u>	<u>\$ 3,653,406</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,494,091 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$40,847,232. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .06463 percent, which was a decrease of .00062 percent from its proportionate share measured as of June 30, 2014 of .06525 percent.

**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. 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 Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.



**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' 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>
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%

**WOOD-RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was 4.13%.

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 48,545,408	\$ 40,847,232	\$ 34,214,792

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. 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 and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$622,328, \$554,672 and \$452,628, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 6 RESTATEMENT**

The net position as of July 1, 2015 of the Governmental Activities has been restated to report transactions related to the District's outstanding capital leases obligations. An adjustment was made to decrease the Governmental Activities net position, at the beginning of year, by \$185,147.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**WOOD-RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 15,875,422		\$ 15,875,422	\$ 15,875,422	
Tuition From Individuals	416,000		416,000	337,810	\$ (78,190)
Tuition - From Other LEA's Within the State	1,712,906		1,712,906	1,425,350	(287,556)
Interest Earned on Capital Reserve Funds	1,000		1,000		(1,000)
Rents and Royalties	3,600		3,600	41,100	37,500
Unrestricted Miscellaneous Revenues	38,750	-	38,750	63,150	24,400
<b>Total Local Sources</b>	<b>18,047,678</b>	<b>-</b>	<b>18,047,678</b>	<b>17,742,832</b>	<b>(304,846)</b>
State Sources					
Categorical Special Education Aid	663,039		663,039	663,039	
Categorical Security Aid	18,978		18,978	18,978	
Categorical Transportation Aid	32,013		32,013	32,013	
PARCC Readiness Aid	10,940		10,940	10,940	
Per Pupil Growth Aid	10,940		10,940	10,940	
Equalization Aid	42,210		42,210	42,210	
Extraordinary Aid	150,000		150,000	226,887	76,887
On Behalf TPAF (Non Budgeted)					
Pension Contribution				497,847	497,847
NCGI Premium				24,800	24,800
Post Retirement Medical Contributions				622,328	622,328
Social Security Contributions	-	-	-	512,157	512,157
<b>Total State Sources</b>	<b>928,120</b>	<b>-</b>	<b>928,120</b>	<b>2,662,139</b>	<b>1,734,019</b>
<b>Total Revenues</b>	<b>18,975,798</b>	<b>-</b>	<b>18,975,798</b>	<b>20,404,971</b>	<b>1,429,173</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	175,586	\$ (30,025)	145,561	142,445	3,116
Kindergarten	288,465	1,008	289,473	281,075	8,398
Grades 1-5	1,531,173	78,518	1,609,691	1,609,691	-
Grades 6-8	1,037,072	(81,489)	955,583	914,124	41,459
Grades 9-12	1,830,601	79,033	1,909,634	1,906,662	2,972
Regular Programs - Home Instruction					
Salaries of Teachers	10,000	3,362	13,362	12,112	1,250
Purchased Professional/Educational Services		3,538	3,538	3,537	1
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	136,800	(22,428)	114,372	103,707	10,665
Purchased Professional/Educational Services	6,000	-	6,000	6,000	-
Purchased Technical Services	1,500	-	1,500	1,040	460
Other Purchased Services	79,864	3,325	83,189	68,922	14,267
General Supplies	283,552	(16,005)	267,547	254,767	12,780
Textbooks	50,035	1,458	51,493	49,851	1,642
Other Objects	824	90	914	584	330
<b>Total Regular Programs</b>	<b>5,431,472</b>	<b>20,385</b>	<b>5,451,857</b>	<b>5,354,517</b>	<b>97,340</b>
Resource Room/Resource Center					
Salaries of Teachers	952,420	115,110	1,067,530	1,067,530	
Other Salaries for Instruction	44,000	(14,872)	29,128	20,077	9,051
General Supplies	12,504	(4,178)	8,326	7,907	419
Textbooks	200	-	200	136	64
<b>Total Resource Room/Resource Center</b>	<b>1,009,124</b>	<b>96,060</b>	<b>1,105,184</b>	<b>1,095,650</b>	<b>9,534</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	103,650	(48,017)	55,633	51,672	3,961
Other Salaries for Instruction	23,100	8,058	31,158	31,157	1
Supplies and Materials	775	-	775	722	53
<b>Total Preschool Disabilities - Full-Time</b>	<b>127,525</b>	<b>(39,959)</b>	<b>87,566</b>	<b>83,551</b>	<b>4,015</b>
Home Instruction					
Salaries of Teachers	10,000	14,889	24,889	24,546	343
Purchased Professional-Educational Services	-	14,189	14,189	4,730	9,459
<b>Total Home Instruction</b>	<b>10,000</b>	<b>29,078</b>	<b>39,078</b>	<b>29,276</b>	<b>9,802</b>
<b>Total Special Education</b>	<b>1,146,649</b>	<b>85,179</b>	<b>1,231,828</b>	<b>1,208,477</b>	<b>23,351</b>



**WOOD-RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 61,005	\$ 630	\$ 61,635	\$ 61,005	\$ 630
General Supplies	100	-	100	81	19
<b>Total Basic Skills/Remedial</b>	<b>61,105</b>	<b>630</b>	<b>61,735</b>	<b>61,086</b>	<b>649</b>
Bilingual Education					
Salaries of Teachers	101,900	850	102,750	101,900	850
Purchased Professional-Educational Services	700	(42)	658	-	658
General Supplies	450	681	1,131	-	1,131
<b>Total Bilingual Education</b>	<b>103,050</b>	<b>1,489</b>	<b>104,539</b>	<b>101,900</b>	<b>2,639</b>
School Sponsored Co/Extra Curricular Activities					
Salaries	80,305	18,328	98,633	92,074	6,559
Supplies and Materials	5,910	(4,673)	1,237	1,039	198
Other Objects	585	1,037	1,622	1,610	12
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>86,800</b>	<b>14,692</b>	<b>101,492</b>	<b>94,723</b>	<b>6,769</b>
School Sponsored Athletics					
Salaries	223,636	15,630	239,266	209,588	29,678
Purchased Services	54,844	(15,621)	39,223	30,177	9,046
Supplies and Materials	59,363	(488)	58,875	54,245	4,630
Other Objects	18,545	(2,904)	15,641	13,000	2,641
<b>Total School Sponsored Athletics</b>	<b>356,388</b>	<b>(3,383)</b>	<b>353,005</b>	<b>307,010</b>	<b>45,995</b>
Before/After School Programs - Instruction					
Salaries of Teacher Tutors	96,700	(7,735)	88,965	88,965	-
Supplies and Materials	10,000	690	10,690	6,882	3,808
Other Objects	-	5,783	5,783	3,683	2,100
<b>Total Before/After School Programs - Instruction</b>	<b>106,700</b>	<b>(1,262)</b>	<b>105,438</b>	<b>99,530</b>	<b>5,908</b>
Summer School - Support Services					
Salaries	-	8,000	8,000	6,074	1,926
Salaries of Teacher Tutors	-	2,700	2,700	1,325	1,375
<b>Total Before/After School Programs - Instruction</b>	<b>-</b>	<b>10,700</b>	<b>10,700</b>	<b>7,399</b>	<b>3,301</b>
<b>Total Instruction</b>	<b>7,292,164</b>	<b>128,430</b>	<b>7,420,594</b>	<b>7,234,642</b>	<b>185,952</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/ State - Special	735,744	191,017	926,761	915,062	11,699
Tuition to County Voc. School District-Regular	366,660	(61,565)	305,095	300,617	4,478
Tuition to County Voc. School District-Special	473,694	(95,934)	377,760	377,760	-
Tuition to CSSD and Regional Day Schools	440,660	90,706	531,366	531,366	-
Tuition to Priv. Sch. for the Disabled - w/i state	865,915	(96,977)	768,938	756,517	12,421
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,882,673</b>	<b>27,247</b>	<b>2,909,920</b>	<b>2,881,322</b>	<b>28,598</b>
Attendance and Social Work					
Other Purchased Services	4,500	(3,695)	805	805	-
Supplies and Materials	-	4,500	4,500	4,500	-
<b>Total Attendance and Social Work</b>	<b>4,500</b>	<b>805</b>	<b>5,305</b>	<b>5,305</b>	<b>-</b>
Health Services					
Salaries	184,110	(2,944)	181,166	175,968	5,198
Purchased Professional and Technical Services	19,000	6,403	25,403	24,649	754
Supplies and Materials	6,345	954	7,299	5,909	1,390
<b>Total Health Services</b>	<b>209,455</b>	<b>4,413</b>	<b>213,868</b>	<b>206,526</b>	<b>7,342</b>
Speech, OT, PT & Related Services					
Salaries	117,000	-	117,000	114,413	2,587
Purchased Professional-Educational Services	434,630	60,979	495,609	467,316	28,293
Supplies and Materials	9,375	(8,110)	1,265	1,264	1
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>561,005</b>	<b>52,869</b>	<b>613,874</b>	<b>582,993</b>	<b>30,881</b>

**WOOD-RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	\$ 147,800	\$ 44,059	\$ 191,859	\$ 191,859	
Purchased Professional/Educational Services	-	56,626	56,626	56,625	\$ 1
<b>Total Other Supp.Serv. Student - Extra Services</b>	<b>147,800</b>	<b>100,685</b>	<b>248,485</b>	<b>248,484</b>	<b>1</b>
Guidance					
Salaries of Other Professional Staff	225,365	2,719	228,084	224,524	3,560
Salaries of Secretarial & Clerical Assistants	51,720	(739)	50,981	50,981	-
Purchased Professional/Educational Services	9,800	(6,301)	3,499	3,213	286
Supplies and Materials	12,445	(6,693)	5,752	5,716	36
Other Objects	950	(541)	409	-	409
<b>Total Guidance</b>	<b>300,280</b>	<b>(11,555)</b>	<b>288,725</b>	<b>284,434</b>	<b>4,291</b>
Child Study Teams					
Salaries of Other Professional Staff		1,500	1,500	1,500	-
Salaries of Secretarial & Clerical Assistants	46,720	-	46,720	46,720	-
Purchased Professional- Educational Services	392,000	49,325	441,325	433,506	7,819
Residential Costs	31,500	2,282	33,782	33,600	182
Miscellaneous Purchased Services	3,978	-	3,978	3,978	-
Supplies and Materials	11,960	(2,442)	9,518	8,852	666
<b>Total Child Study Teams</b>	<b>486,158</b>	<b>50,665</b>	<b>536,823</b>	<b>528,156</b>	<b>8,667</b>
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	82,200	-	82,200	82,200	
Salaries of Other Professional Staff	21,200	10,672	31,872	26,741	5,131
Supplies and Materials	3,000	2,475	5,475	2,475	3,000
Other Objects	500	-	500	-	500
<b>Total Other Support Services - Improvement of Inst. Svcs.</b>	<b>106,900</b>	<b>13,147</b>	<b>120,047</b>	<b>111,416</b>	<b>8,631</b>
Educational Media/School Library					
Salaries	166,905	(1,396)	165,509	149,891	15,618
Other Purchased Services		395	395	150	245
Supplies and Materials	30,122	(692)	29,430	25,176	4,254
<b>Total Educational Media/School Library</b>	<b>197,027</b>	<b>(1,693)</b>	<b>195,334</b>	<b>175,217</b>	<b>20,117</b>
Instructional Staff Training Services					
Purchased Professional/Educational Services	6,500	500	7,000	5,795	1,205
Other Purchased Services	4,590	(894)	3,696	608	3,088
<b>Total Instructional Staff Training Services</b>	<b>11,090</b>	<b>(394)</b>	<b>10,696</b>	<b>6,403</b>	<b>4,293</b>
Support Services General Administration					
Salaries	339,920	4,005	343,925	342,007	1,918
Legal Services	45,000	13,395	58,395	44,050	14,345
Audit Fees	25,000	15,726	40,726	40,726	-
Other Purchased Professional Service	5,950	(600)	5,350	5,316	34
Architectural/Engineering Services	5,000	(5,000)	-	-	-
Communications/Telephone	76,872	7,321	84,193	75,434	8,759
Miscellaneous Purchased Services	53,605	(3,582)	50,023	48,912	1,111
BOE Other Purchased Services	3,500	196	3,696	3,696	-
General Supplies	7,500	2,700	10,200	9,686	514
Miscellaneous Expenditures	4,000	4,081	8,081	8,058	23
BOE Membership Dues and Fees	7,200	-	7,200	7,187	13
<b>Total Support Services General Administration</b>	<b>573,547</b>	<b>38,242</b>	<b>611,789</b>	<b>585,072</b>	<b>26,717</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	487,465	(4,711)	482,754	469,002	13,752
Salaries of Secretarial and Clerical Assistants	223,720	150	223,870	219,385	4,485
Other Purchased Services	16,351	1,723	18,074	12,103	5,971
Supplies and Materials	40,675	(3,632)	37,043	29,826	7,217
Other Objects	5,000	(680)	4,320	3,560	760
<b>Total Support Services School Administration</b>	<b>773,211</b>	<b>(7,150)</b>	<b>766,061</b>	<b>733,876</b>	<b>32,185</b>

**WOOD-RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 251,270	\$ (1,961)	\$ 249,309	\$ 234,428	\$ 14,881
Purchased Professional Services	51,000	17,549	68,549	68,528	21
Misc. Purchased Services	5,105	666	5,771	4,846	925
Supplies and Materials	6,000	35,858	41,858	41,228	630
Miscellaneous Expenditures	1,500	-	1,500	1,442	58
<b>Total Central Services</b>	<b>314,875</b>	<b>52,112</b>	<b>366,987</b>	<b>350,472</b>	<b>16,515</b>
Admin. Info. Technology					
Salaries	108,832	-	108,832	108,832	-
Purchased Technical Services	9,300	(3,777)	5,523	3,506	2,017
Supplies and Materials	27,000	2,831	29,831	23,585	6,246
Other Objects	500	380	880	689	191
<b>Total Admin. Info. Technology</b>	<b>145,632</b>	<b>(566)</b>	<b>145,066</b>	<b>136,612</b>	<b>8,454</b>
Required Maintenance for School Facilities					
Salaries	191,116	300	191,416	182,830	8,586
Cleaning, Repair and Maintenance	141,200	7,050	148,250	123,288	24,962
General Supplies	13,279	13,604	26,883	26,769	114
Other Objects	1,500	1,000	2,500	1,589	911
<b>Total Required Maintenance for School Facilities</b>	<b>347,095</b>	<b>21,954</b>	<b>369,049</b>	<b>334,476</b>	<b>34,573</b>
Custodial Services					
Salaries	626,533	39,616	666,149	664,321	1,828
Salaries of Non-Instructional Aides	15,000	4,201	19,201	19,201	-
Purchased Professional and Technical Services	-	125	125	125	-
Cleaning, Repair and Maintenance	11,000	(7,167)	3,833	3,784	49
Other Purchased Property Services	24,700	(2,118)	22,582	21,948	634
Insurance	87,000	7,335	94,335	94,335	-
Rental of Land & Bldg Other Than Lease Purchase Agreement	2	-	2	-	2
Miscellaneous Purchased Services	-	337	337	337	-
General Supplies	111,500	(10,245)	101,255	99,314	1,941
Energy (Natural Gas)	120,000	(14,606)	105,394	72,121	33,273
Energy (Electricity)	218,000	50,727	268,727	152,654	116,073
<b>Total Custodial Services</b>	<b>1,213,735</b>	<b>68,205</b>	<b>1,281,940</b>	<b>1,128,140</b>	<b>153,800</b>
Care & Upkeep of Grounds					
Salaries	22,200	-	22,200	22,200	-
Cleaning, Repair and Maintenance	1,000	-	1,000	394	606
General Supplies	1,000	1,900	2,900	2,056	844
<b>Total Care &amp; Upkeep of Grounds</b>	<b>24,200</b>	<b>1,900</b>	<b>26,100</b>	<b>24,650</b>	<b>1,450</b>
Security					
Purchased Professional and Technical Services	15,000	7,089	22,089	15,050	7,039
Cleaning, Repair and Maintenance	-	-	-	-	-
General Supplies	9,238	20,615	29,853	29,853	-
<b>Total Security</b>	<b>24,238</b>	<b>27,704</b>	<b>51,942</b>	<b>44,903</b>	<b>7,039</b>
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	35,000	4,785	39,785	39,785	-
Management Fee - ESC & CTSA Transportation Program	12,000	426,914	438,914	394,944	43,970
Cleaning, Repair and Maintenance Services	3,000	1,268	4,268	4,268	-
Contracted Services (Between Home and School) - Vendors	63,000	(61,612)	1,388	1,388	-
Contracted Services (Other Than Between Home and School) - Vendors	30,000	25,000	55,000	54,634	366
Contracted Services (Special Ed. Students) - Joint Agreements	30,000	53,200	83,200	83,200	-
Contracted Services - (Special Ed. Students) - ESCs and CTSA's	400,000	(394,215)	5,785	4,629	1,156
Contracted Services-Aid In Lieu of Payments- Charter Schools	5,304	1,094	6,398	884	5,514
Miscellaneous Purchased Services -Transportation	3,000	1,097	4,097	3,929	168
Other Objects	250	(220)	30	30	-
<b>Total Student Transportation Services</b>	<b>581,554</b>	<b>57,311</b>	<b>638,865</b>	<b>587,691</b>	<b>51,174</b>

**WOOD-RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 240,000	\$ 1,621	\$ 241,621	\$ 229,374	\$ 12,247
Other Retirement Contributions - PERS	222,000	(33,500)	188,500	182,968	5,532
Unemployment Compensation	60,000	(58,740)	1,260	381	879
Workmen's Compensation	90,000	12,650	102,650	102,646	4
Health Benefits	2,150,000	(68,999)	2,081,001	2,035,405	45,596
Tuition Reimbursement	30,000	750	30,750	20,682	10,068
Unused Sick Payment to Terminated/Retired Staff	40,000	18,203	58,203	43,203	15,000
<b>Total Unallocated Benefits</b>	<b>2,832,000</b>	<b>(128,015)</b>	<b>2,703,985</b>	<b>2,614,659</b>	<b>89,326</b>
On Behalf TPAF (Non Budgeted)					
Pension Contribution				497,847	(497,847)
NCGI Premium				24,800	(24,800)
Post Retirement Medical Contributions				622,328	(622,328)
Social Security Contributions	-	-	-	512,157	(512,157)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,657,132</b>	<b>(1,657,132)</b>
<b>Total Undistributed Expenditures</b>	<b>11,736,975</b>	<b>367,886</b>	<b>12,104,861</b>	<b>13,227,939</b>	<b>(1,123,078)</b>
<b>Total Current Expenditures</b>	<b>19,029,139</b>	<b>496,316</b>	<b>19,525,455</b>	<b>20,462,581</b>	<b>(937,126)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Required Maintenance for School Facilities	-	1,475	1,475	1,475	-
<b>Total Equipment</b>	<b>-</b>	<b>1,475</b>	<b>1,475</b>	<b>1,475</b>	<b>-</b>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	29,575	-	29,575	29,575	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>29,575</b>	<b>-</b>	<b>29,575</b>	<b>29,575</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>29,575</b>	<b>1,475</b>	<b>31,050</b>	<b>31,050</b>	<b>-</b>
Transfer of Funds to Charter Schools	34,661	4,935	39,596	39,596	-
<b>Total General Fund Expenditures</b>	<b>19,093,375</b>	<b>502,726</b>	<b>19,596,101</b>	<b>20,533,227</b>	<b>(937,126)</b>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(117,577)	(502,726)	(620,303)	(128,256)	492,047
Other Financing Sources (Uses)					
Transfers In				1,950,190	1,950,190
Capital Reserve - Transfer to Capital Projects				(500,000)	(500,000)
Capital Reserve - Transfer to Debt Service	-	-	-	(82,319)	(82,319)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,367,871</b>	<b>1,367,871</b>
Excess/(Deficiency) of Revenues & Other Financing					
Sources Over/(Under) Expenditures and Other Financing	(117,577)	(502,726)	(620,303)	1,239,615	1,859,918
Uses					
<b>Fund Balance, Beginning of Year</b>	<b>1,460,486</b>	<b>-</b>	<b>1,460,486</b>	<b>1,460,486</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,342,909</b>	<b>\$ (502,726)</b>	<b>\$ 840,183</b>	<b>\$ 2,700,101</b>	<b>\$ 1,859,918</b>
<b>Recapitulation of Fund Balance</b>					
Restricted					
Capital Reserve				\$ 1,608,973	
Emergency Reserve - Designated for Subsequent Year's Budget				100,000	
Excess Surplus - Designated for Subsequent Year's Budget				102,140	
Assigned					
Encumbrances				105,520	
Designated for Subsequent Year's Budget				319,059	
Unassigned				464,409	
<b>Fund Balance - Budgetary Basis</b>				<b>2,700,101</b>	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2015/16 State Aid Payments Not Recognized on a GAAP Basis				(258,866)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ 2,441,235</b>	

**WOOD-RIDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**EXHIBIT C-2**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Federal Sources	\$ 283,050	\$ 124,858	\$ 407,908	\$ 383,915	\$ (23,993)
Local Sources	3,000	35,898	38,898	26,994	(11,904)
Total Revenues	<u>286,050</u>	<u>160,756</u>	<u>446,806</u>	<u>410,909</u>	<u>(35,897)</u>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	18,075	18,420	36,495	30,796	5,699
Other Purchased Services	205,000	71,708	276,708	276,708	-
General Supplies	21,060	86,412	107,472	85,091	22,381
Textbooks	-	1,200	1,200	-	1,200
Other Objects	-	150	150	100	50
Total Instruction	<u>244,135</u>	<u>177,890</u>	<u>422,025</u>	<u>392,695</u>	<u>29,330</u>
<b>Support Services</b>					
Personnel Services - Employee Benefits	3,415	(929)	2,486	2,126	360
Other Purchased Services	38,500	(17,352)	21,148	16,088	5,060
Supplies and Materials	-	1,147	1,147	-	1,147
Total Support Services	<u>41,915</u>	<u>(17,134)</u>	<u>24,781</u>	<u>18,214</u>	<u>6,567</u>
<b>Facilities Acquisition and Construction</b>					
Non-Instructional Equipment	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>286,050</u>	<u>160,756</u>	<u>446,806</u>	<u>410,909</u>	<u>35,897</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>				
Revenues (budgetary basis)	(C-1) \$	20,404,971	(C-2) \$	410,909
Difference - Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Encumbrances, June 30, 2015, Net				840
Encumbrances, June 30, 2016				(7,401)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2014/2015)		40,577		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2015/2016)		<u>(258,866)</u>		<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$	<u>20,186,682</u>		<u>\$ 404,348</u>
<b>Uses/Outflows of Resources</b>				
Actual Expenditures (budgetary basis)	(C-1) \$	20,533,227	(C-2) \$	410,909
Difference - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2015, Net				840
Encumbrances, June 30, 2016		<u>-</u>		<u>(7,401)</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$	<u>20,533,227</u>	(B-2) \$	<u>404,348</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**WOOD-RIDGE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Three Fiscal Years\*  
(Dollar amounts in thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02044%	0.02072%	0.01934%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,587,556	\$ 3,879,562	\$ 3,695,473
District's Covered-Employee Payroll	\$ 1,514,880	\$ 1,398,296	\$ 1,372,127
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	302.83%	277.45%	269.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**WOOD-RIDGE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Three Fiscal Years  
(Dollar amounts in thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 175,698	\$ 170,822	\$ 145,692
Contributions in Relation to the Contractually Required Contribution	<u>175,698</u>	<u>170,822</u>	<u>145,692</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,514,880	\$ 1,398,296	\$ 1,372,127
Contributions as a Percentage of Covered-Employee Payroll	11.60%	12.22%	10.62%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WOOD-RIDGE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\*  
(Dollar amounts in thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 40,847,232	\$ 34,876,694	\$ 33,460,241
District's Covered-Employee Payroll	\$ 6,506,806	\$ 6,515,653	\$ 6,311,781
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	627.76%	535.28%	530.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WOOD-RIDGE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:**           None.

**Change of Assumptions:**       Assumptions used in calculating the net pension liability and statutorily required employer contributions are presented in Note 5.

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**WOOD-RIDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES	IDEA Part B- Basic	IDEA Pre- School	Title IA	Title IIA	Title III	Other Local Projects	Total
Intergovernmental							
Federal	\$ 265,333	\$ 11,375	\$ 88,184	\$ 16,088	\$ 2,935		383,915
Local	-	-	-	-	-	\$ 26,994	26,994
Total Revenues	<u>\$ 265,333</u>	<u>\$ 11,375</u>	<u>\$ 88,184</u>	<u>\$ 16,088</u>	<u>\$ 2,935</u>	<u>\$ 26,994</u>	<u>\$ 410,909</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers			\$ 27,796			\$ 3,000	\$ 30,796
Other Purchased Services	\$ 265,333	\$ 11,375					276,708
General Supplies			58,262		\$ 2,935	23,894	85,091
Other Objects	-	-	-	-	-	100	100
Total Instruction	<u>265,333</u>	<u>11,375</u>	<u>86,058</u>	<u>-</u>	<u>2,935</u>	<u>26,994</u>	<u>392,695</u>
Support Services							
Personnel Services - Employee Benefits			2,126				2,126
Other Purchased Services				\$ 16,088			16,088
Supplies and Materials	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>2,126</u>	<u>16,088</u>	<u>-</u>	<u>-</u>	<u>18,214</u>
Facilities Acquisition and Construction							
Instructional Equipment							-
Non- Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 265,333</u>	<u>\$ 11,375</u>	<u>\$ 88,184</u>	<u>\$ 16,088</u>	<u>\$ 2,935</u>	<u>\$ 26,994</u>	<u>\$ 410,909</u>

**WOOD-RIDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**



**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES**

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Appropriation Modifications</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer to Debt Service Fund</u>	<u>Balance, June 30, 2016</u>
					<u>Prior Year</u>	<u>Current Year</u>		
1994	Various School Improvements	\$ 341,473		\$ 341,473	\$ 341,473			
2002	Catherine E Doyle-Addition, Renovations and Field Improvements	4,507,000	\$ 1,276,268	5,783,268	5,535,587		\$ 247,681	
2014	Wood-Ridge High School Roof Replacement	948,900		948,900	861,036	\$ 22,362		\$ 65,502
2015	Wood-Ridge High School Gym Improvements		500,000	500,000		454,688		45,312
<b><u>2014 Referendum</u></b>								
2015	Ostrovsky Middle School Gymnasium HVAC	678,000		678,000	40,213	10,189		627,598
2015	Ostrovsky Middle School Window Replacement	759,200		759,200	55,236	472,522		231,442
2015	Ostrovsky Middle School HVAC	1,690,500		1,690,500	55,681	456,632		1,178,187
2015	Doyle HVAC	2,550,100		2,550,100	162,229	2,221,910		165,961
2015	Doyle Window Replacement	584,700		584,700	43,236	421,018		120,446
2015	High School Window Replacement	1,109,700		1,109,700	80,098	898,075		131,527
2015	High School Facility Improvements (Science Labs, Exterior Doors and Security Door Access)	1,314,613		1,314,613	45,368	278,978		990,267
2015	High School HVAC	3,733,800		3,733,800	107,397	136,398		3,490,005
2015	Doyle Facility Improvements (Boiler, Exterior Doors, Security Door Access and Roof)	1,037,650		1,037,650	67,994	270,171		699,485
2015	Ostrovsky Facility Improvements (Gymnasium Divider, Exterior Doors, Security Door Access and Roof)	361,650	-	361,650	23,248	271,550	-	66,852
		<u>\$ 19,617,286</u>	<u>\$ 1,776,268</u>	<u>\$ 21,393,554</u>	<u>\$ 7,418,796</u>	<u>\$ 5,914,493</u>	<u>\$ 247,681</u>	<u>\$ 7,812,584</u>

**Reconciliation to GAAP Basis:**

Fund Balance, June 30, 2016 - Budgetary Basis	\$ 7,812,584
Less: Unearned Revenue - SDA Grants	(2,404,267)
Bonds Authorized But Not Issued - 2014 Referendum	<u>(9,377,513)</u>
Fund Balance, June 30, 2016 - GAAP Basis	<u>\$ (3,969,196)</u>

**Analysis of Balance**

Year End Encumbrances	\$ 1,742,281
Available for Capital Projects	<u>6,070,303</u>
	<u>\$ 7,812,584</u>

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<b>Revenues and Other Financing Sources</b>	
Premium on Issuance of Temporary Note	\$ 19,530
Transfer from Capital Reserve	<u>500,000</u>
 Total Revenues and Other Financing Sources	 <u>519,530</u>
 <b>Expenditures and Other Financing Uses</b>	
Purchased Professional and Technical Services	358,822
Construction Services	5,539,462
Other Objects	16,209
Transfers to Capital Reserve - General Fund	1,930,660
Transfers to General Fund	19,530
Transfers to Debt Service Fund	<u>247,681</u>
 Total Expenditures and Other Financing Uses	 <u>8,112,364</u>
 Excess (Deficit) of Revenues Over Expenditures	 (7,592,834)
 Fund Balance, July 1, 2015	 <u>6,027,905</u>
 Fund Balance, June 30, 2016	 <u>\$ (1,564,929)</u>
 <u>Reconciliation to GAAP Basis:</u>	
Fund Balance, June 30, 2016 - Budgetary Basis	\$ (1,564,929)
Less: Unearned Revenue - SDA Grants	<u>(2,404,267)</u>
 Fund Balance, June 30, 2016 - GAAP Basis	 <u>\$ (3,969,196)</u>

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
VARIOUS CAPITAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 299,304		\$ 299,304	\$ 299,304
Community Development Block Grant	<u>42,169</u>	<u>-</u>	<u>42,169</u>	<u>42,169</u>
Total Revenues and Other Financing Sources	<u>341,473</u>	<u>-</u>	<u>341,473</u>	<u>341,473</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	13,908		13,908	15,000
Construction Services	299,522		299,522	326,473
Transfer to Debt Service Fund	<u>28,043</u>	<u>-</u>	<u>28,043</u>	<u>-</u>
Total Expenditures and Other Financing Sources	<u>341,473</u>	<u>-</u>	<u>341,473</u>	<u>341,473</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 341,473			
Authorized Cost Adjustments	\$ -			
Revised Authorized Cost	\$ 341,473			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	June 1994			
Revised Target Completion Date	June 1994			

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
CATHERINE DOYLE ELEMENTARY SCHOOL-ADDITION, RENOVATIONS AND FIELD IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,045,200		\$ 1,045,200	\$ 1,045,200
Bond Proceeds and Transfers	4,738,068	-	4,738,068	4,738,068
	<u>5,783,268</u>	<u>-</u>	<u>5,783,268</u>	<u>5,783,268</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	1,261,494		1,261,494	1,209,138
Construction Services	3,218,820		3,218,820	4,403,290
Equipment Purchases	178,316		178,316	170,840
Transfer to Debt Service Fund	876,957	\$ 247,681	1,124,638	-
	<u>5,535,587</u>	<u>247,681</u>	<u>5,783,268</u>	<u>5,783,268</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 247,681</u>	<u>\$ (247,681)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5830-060-02-0171			
Grant Date	12/1/2702			
Bond Authorization Date	9/24/2002			
Bonds Authorized	3,462,000			
Bonds Issued	3,185,000			
Original Authorized Cost	\$ 4,507,000			
Authorized Cost Adjustments	\$ 1,276,268			
Revised Authorized Cost	\$ 5,783,268			
Percentage Increase Over Original				
Authorized Cost	28.32%			
Percentage Completion	100.00%			
Original Target Completion Date	June 2004			
Revised Target Completion Date	December 2004			

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 379,560		\$ 379,560	\$ 379,560
Transfer from Capital Reserve	569,340	-	569,340	569,340
	<u>948,900</u>	<u>-</u>	<u>948,900</u>	<u>948,900</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	91,286	\$ 947	92,233	76,900
Construction Services	769,750	19,500	789,250	868,000
Other Objects	-	1,915	1,915	4,000
	<u>861,036</u>	<u>22,362</u>	<u>883,398</u>	<u>948,900</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 87,864</u>	<u>\$ (22,362)</u>	<u>\$ 65,502</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-050-14-1002
Grant Date	5/7/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 948,900
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 948,900

## Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	93.10%
Original Target Completion Date	June 2016
Revised Target Completion Date	September 2016

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL GYM IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 500,000	\$ 500,000	\$ 500,000
Total Revenues and Other Financing Sources	-	500,000	500,000	500,000
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services			-	
Construction Services		454,688	454,688	500,000
Other Objects	-	-	-	-
Total Expenditures and Other Financing Sources	-	454,688	454,688	500,000
Excess (Deficit) of Revenue Over Expenditures	\$ -	\$ 45,312	\$ 45,312	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 500,000
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 500,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	90.94%
Original Target Completion Date	June 2016
Revised Target Completion Date	December 2016

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SUMMARY OF 2014 REFERENDUM PROJECTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 4,442,400		\$ 4,442,400	\$ 4,442,400
Capital Reserve	1,500,000		1,500,000	-
Bond Proceeds	-	-	-	9,377,513
	<u>5,942,400</u>	<u>-</u>	<u>5,942,400</u>	<u>13,819,913</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	676,700	\$ 357,875	1,034,575	1,508,613
Construction Services	4,000	5,065,274	5,069,274	12,275,300
Other Objects		14,294	14,294	36,000
Transfer to Capital Reserve - General Fund	-	1,500,000	1,500,000	-
	<u>680,700</u>	<u>6,937,443</u>	<u>6,118,143</u>	<u>13,819,913</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 5,261,700</u>	<u>\$ (6,937,443)</u>	<u>\$ (175,743)</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	Various
Grant Date	Various
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 9,377,513
Bonds Issued	
Original Authorized Cost	\$ 13,819,913
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 13,819,913
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	44.27%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2017

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
OSTROVSKY MIDDLE SCHOOL GYMNASIUM HVAC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 271,200		\$ 271,200	\$ 271,200
Capital Reserve	65,071		65,071	
Bond Proceeds	-	-	-	406,800
	<u>336,271</u>	<u>-</u>	<u>336,271</u>	<u>678,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	40,213	\$ 10,047	50,260	70,000
Construction Services			-	605,000
Other Objects		142	142	3,000
Transfer to Capital Reserve - General Fund	-	65,071	65,071	-
	<u>40,213</u>	<u>75,260</u>	<u>115,473</u>	<u>678,000</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 296,058</u>	<u>\$ (75,260)</u>	<u>\$ 220,798</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-070-14-1009
Grant Date	1/6/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 406,800
Bonds Issued	
Original Authorized Cost	\$ 678,000
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 678,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	7.43%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2017



**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
OSTROVSKY MIDDLE SCHOOL WINDOW REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 303,680		\$ 303,680	\$ 303,680
Capital Reserve	72,864		72,864	-
Bond Proceeds	-	-	-	455,520
	<u>376,544</u>	<u>-</u>	<u>376,544</u>	<u>759,200</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	55,236	\$ 6,384	61,620	72,000
Construction Services		465,979	465,979	684,200
Other Objects		159	159	3,000
Transfer to Capital Reserve - General Fund	-	72,864	72,864	-
	<u>55,236</u>	<u>545,386</u>	<u>600,622</u>	<u>759,200</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 321,308</u>	<u>\$ (545,386)</u>	<u>\$ (224,078)</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-070-14-1010
Grant Date	1/6/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 455,520
Bonds Issued	
Original Authorized Cost	\$ 759,200
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 759,200
Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	69.52%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2016

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
OSTROVSKY MIDDLE SCHOOL HVAC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 676,200		\$ 676,200	\$ 676,200
Capital Reserve	162,244		162,244	
Bond Proceeds	-	-	-	1,014,300
	<u>838,444</u>	<u>-</u>	<u>838,444</u>	<u>1,690,500</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	55,681	\$ 57,907	113,588	175,000
Construction Services		398,370	398,370	1,512,500
Other Objects		355	355	3,000
Transfer to Capital Reserve - General Fund	-	162,244	162,244	-
	<u>55,681</u>	<u>618,876</u>	<u>674,557</u>	<u>1,690,500</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 782,763</u>	<u>\$ (618,876)</u>	<u>\$ 163,887</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-070-14-1008
Grant Date	1/6/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 1,014,300
Bonds Issued	
Original Authorized Cost	\$ 1,690,500
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 1,690,500

## Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	30.31%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2017

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
DOYLE HVAC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,020,040		\$ 1,020,040	\$ 1,020,040
Capital Reserve	244,744		244,744	
Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,530,060</u>
 Total Revenues and Other Financing Sources	 <u>1,264,784</u>	 <u>-</u>	 <u>1,264,784</u>	 <u>2,550,100</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	162,229	\$ 49,887	212,116	258,000
Construction Services		2,167,956	2,167,956	2,289,100
Other Objects		4,067	4,067	3,000
Transfer to Capital Reserve - General Fund	<u>-</u>	<u>244,744</u>	<u>244,744</u>	<u>-</u>
 Total Expenditures and Other Financing Sources	 <u>162,229</u>	 <u>2,466,654</u>	 <u>2,628,883</u>	 <u>2,550,100</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ 1,102,555</u>	 <u>\$ (2,466,654)</u>	 <u>\$ (1,364,099)</u>	 <u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5830-060-14-1007			
Grant Date	1/6/2014			
Bond Authorization Date	9/30/2014			
Bonds Authorized	\$ 1,530,060			
Bonds Issued				
Original Authorized Cost	\$ 2,550,100			
Authorized Cost Adjustments	\$ -			
Revised Authorized Cost	\$ 2,550,100			
 Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	93.49%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	June 2017			

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
DOYLE WINDOW REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 233,880		\$ 233,880	\$ 233,880
Capital Reserve	56,116		56,116	
Bond Proceeds	-	-	-	350,820
	<u>289,996</u>	<u>-</u>	<u>289,996</u>	<u>584,700</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	43,236	\$ 5,508	48,744	57,000
Construction Services		412,690	412,690	524,700
Other Objects		2,820	2,820	3,000
Transfer to Capital Reserve - General Fund	-	56,116	56,116	-
	<u>43,236</u>	<u>477,134</u>	<u>520,370</u>	<u>584,700</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 246,760</u>	<u>\$ (477,134)</u>	<u>\$ (230,374)</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-060-14-1005
Grant Date	1/6/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 350,820
Bonds Issued	
Original Authorized Cost	\$ 584,700
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 584,700

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	79.40%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2016

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL WINDOW REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 443,880		\$ 443,880	\$ 443,880
Capital Reserve	106,503		106,503	
Bond Proceeds	-	-	-	665,820
	<u>550,383</u>	<u>-</u>	<u>550,383</u>	<u>1,109,700</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	80,098	\$ 8,142	88,240	103,500
Construction Services		889,700	889,700	1,003,200
Other Objects		233	233	3,000
Transfer to Capital Reserve - General Fund	-	106,503	106,503	-
	<u>80,098</u>	<u>1,004,578</u>	<u>1,084,676</u>	<u>1,109,700</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 470,285</u>	<u>\$ (1,004,578)</u>	<u>\$ (534,293)</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5830-050-14-1004			
Grant Date	1/6/2014			
Bond Authorization Date	9/30/2014			
Bonds Authorized	\$ 665,820			
Bonds Issued				
Original Authorized Cost	\$ 1,109,700			
Authorized Cost Adjustments	\$ -			
Revised Authorized Cost	\$ 1,109,700			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	88.15%			
Original Target Completion Date	September 2016			
Revised Target Completion Date	September 2016			

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL FACILITY IMPROVEMENTS (SCIENCE LABS, EXTERIOR DOORS AND SECURITY DOOR ACCESS)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Reserve	\$ 210,282		\$ 210,282	
Bond Proceeds	-	-	-	\$ 1,314,613
	<u>210,282</u>	<u>-</u>	<u>210,282</u>	<u>1,314,613</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	41,368	\$ 62,584	103,952	210,113
Construction Services	4,000	210,953	214,953	1,099,500
Other Objects		5,441	5,441	5,000
Transfer to Capital Reserve - General Fund	-	210,282	210,282	-
	<u>45,368</u>	<u>489,260</u>	<u>534,628</u>	<u>1,314,613</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 164,914</u>	<u>\$ (489,260)</u>	<u>\$ (324,346)</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-050-14-2000
Grant Date	8/29/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 1,314,613
Bonds Issued	
Original Authorized Cost	\$ 1,314,613
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 1,314,613

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	24.67%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2017

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL HVAC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant (40%)	\$ 1,493,520		\$ 1,493,520	\$ 1,493,520
Capital Reserve	358,349		358,349	
Bond Proceeds	-	-	-	2,240,280
	<u>1,851,869</u>	<u>-</u>	<u>1,851,869</u>	<u>3,733,800</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	107,397	\$ 135,615	243,012	398,000
Construction Services			-	3,332,800
Other Objects		783	783	3,000
Transfer to Capital Reserve - General Fund	-	358,349	358,349	-
	<u>107,397</u>	<u>494,747</u>	<u>602,144</u>	<u>3,733,800</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 1,744,472</u>	<u>\$ (494,747)</u>	<u>\$ 1,249,725</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5830-050-14-1001			
Grant Date	1/6/2014			
Bond Authorization Date	9/30/2014			
Bonds Authorized	\$ 2,240,280			
Bonds Issued				
Original Authorized Cost	\$ 3,733,800			
Authorized Cost Adjustments	\$ -			
Revised Authorized Cost	\$ 3,733,800			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	6.53%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	June 2017			

**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
DOYLE FACILITY IMPROVEMENTS (BOILER, EXTERIOR DOORS, SECURITY DOOR ACCESS AND ROOF)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Reserve	\$ 165,979		\$ 165,979	
Bond Proceeds	-	-	-	\$ 1,037,650
	<u>165,979</u>	<u>-</u>	<u>165,979</u>	<u>1,037,650</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	67,994	\$ 16,347	84,341	123,500
Construction Services		253,606	253,606	909,150
Other Objects		218	218	5,000
Transfer to Capital Reserve - General Fund	-	165,979	165,979	-
	<u>67,994</u>	<u>436,150</u>	<u>504,144</u>	<u>1,037,650</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 97,985</u>	<u>\$ (436,150)</u>	<u>\$ (338,165)</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5830-060-14-1000			
Grant Date	7/28/2014			
Bond Authorization Date	9/30/2014			
Bonds Authorized	\$ 1,037,650			
Bonds Issued				
Original Authorized Cost	\$ 1,037,650			
Authorized Cost Adjustments	\$ -			
Revised Authorized Cost	\$ 1,037,650			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	32.59%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	June 2017			



**WOOD-RIDGE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
OSTROVSKY MIDDLE SCHOOL FACILITY IMPROVEMENTS (GYMNASIUM DIVIDER, EXTERIOR DOORS,  
SECURITY DOOR ACCESS AND ROOF)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Reserve	\$ 57,848		\$ 57,848	
Bond Proceeds	-	-	-	\$ 361,650
	<u>57,848</u>	<u>-</u>	<u>57,848</u>	<u>361,650</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	23,248	\$ 5,454	28,702	41,500
Construction Services		266,020	266,020	315,150
Other Objects		76	76	5,000
Transfer to Capital Reserve - General Fund	-	57,848	57,848	-
	<u>23,248</u>	<u>329,398</u>	<u>352,646</u>	<u>361,650</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 34,600</u>	<u>\$ (329,398)</u>	<u>\$ (294,798)</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	5830-070-14-2000
Grant Date	8/29/2014
Bond Authorization Date	9/30/2014
Bonds Authorized	\$ 361,650
Bonds Issued	
Original Authorized Cost	\$ 361,650
Authorized Cost Adjustments	\$ -
Revised Authorized Cost	\$ 361,650
Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	81.51%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2016

**ENTERPRISE FUNDS**

**EXHIBIT G-1**

**WOOD-RIDGE BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**WOOD-RIDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 112,037	\$ 41,401	\$ 153,438
Due From Other Funds	<u>-</u>	<u>1,462</u>	<u>1,462</u>
Total Assets	<u>\$ 112,037</u>	<u>\$ 42,863</u>	<u>\$ 154,900</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 13,101	\$ 13,101
Accrued Salaries and Wages		17,418	17,418
Reserve for Flexible Spending		12,344	12,344
Due to Student Groups	<u>\$ 112,037</u>	<u>-</u>	<u>112,037</u>
Total Liabilities	<u>\$ 112,037</u>	<u>\$ 42,863</u>	<u>\$ 154,900</u>

**WOOD-RIDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WOOD-RIDGE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2016</u>
Student Activities Account	\$ 109,884	\$ 205,081	\$ 203,199	\$ 111,766
Athletic Account	<u>1,560</u>	<u>32,339</u>	<u>33,628</u>	<u>271</u>
Total	<u>\$ 111,444</u>	<u>\$ 237,420</u>	<u>\$ 236,827</u>	<u>\$ 112,037</u>

**PAYROLL AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance,</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2016</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,376	\$ 12,340,852	\$ 12,309,827	\$ 41,401
Due From Other Funds	<u>-</u>	<u>1,462</u>	<u>-</u>	<u>1,462</u>
	<u>\$ 10,376</u>	<u>\$ 12,342,314</u>	<u>\$ 12,309,827</u>	<u>\$ 42,863</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 4,592	\$ 5,883,523	\$ 5,875,014	\$ 13,101
Accrued Salaries and Wages	3,976	6,439,703	6,426,261	17,418
Reserve for Flexible Spending	<u>1,808</u>	<u>19,088</u>	<u>8,552</u>	<u>12,344</u>
	<u>\$ 10,376</u>	<u>\$ 12,342,314</u>	<u>\$ 12,309,827</u>	<u>\$ 42,863</u>

**LONG-TERM DEBT**



**WOOD-RIDGE BOARD OF EDUCATION  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
School Refunding Bonds	1/13/2013	\$ 4,450,000	7/15/2016	\$ 345,000	3.000 %				
			7/15/2017	360,000					
			7/15/2018	375,000					
			7/15/2019	390,000					
			7/15/2020	400,000					
			7/15/2021	415,000					
			7/15/2022	430,000					
			7/15/2023	445,000					
			7/15/2024	455,000					
			7/15/2025	460,000					
						\$ 4,405,000	-	\$ 330,000	\$ 4,075,000
						<u>\$ 4,405,000</u>	<u>\$ -</u>	<u>\$ 330,000</u>	<u>\$ 4,075,000</u>

**WOOD-RIDGE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Description</u>	<u>Amount of Original Issue</u>	<u>(Restated) Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2016</u>
Computer Equipment - Chromebooks	\$ 234,092	\$ 172,215		\$ 55,252	\$ 116,963
Hand-Held Radios	24,261	<u>12,932</u>	-	<u>8,430</u>	<u>4,502</u>
		<u>\$ 185,147</u>	<u>\$ -</u>	<u>\$ 63,682</u>	<u>\$ 121,465</u>

**WOOD-RIDGE BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 127,200		\$ 127,200	\$ 127,200	
Total Revenues	<u>127,200</u>	<u>-</u>	<u>127,200</u>	<u>127,200</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Principal	330,000		330,000	330,000	
Interest	<u>127,200</u>	<u>-</u>	<u>127,200</u>	<u>127,200</u>	<u>-</u>
Total Expenditures	<u>457,200</u>	<u>-</u>	<u>457,200</u>	<u>457,200</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(330,000)</u>	<u>-</u>	<u>(330,000)</u>	<u>(330,000)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from Other Funds	<u>330,000</u>		<u>330,000</u>	<u>330,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>330,000</u>	<u>-</u>	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

**Recapitulation of Fund Balance:**

Restricted for Debt Service:  
Designated for Subsequent Year's Budget \$ 1

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

**WOOD-RIDGE BOARD OF EDUCATION  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014 (Restated)	2015	2016
<b>Governmental Activities</b>										
Investment in Capital Assets	\$ 2,551,822	\$ 2,628,006	\$ 2,937,868	\$ 3,103,792	\$ 3,326,196	\$ 3,514,848	\$ 4,070,016	\$ 4,097,324	\$ 5,653,064	\$ 11,526,293
Restricted	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885	1,960,762	1,708,974
Unrestricted	189,045	50,649	21,949	(178,669)	26,066	96,285	13,360	(3,655,448)	(3,373,767)	(7,527,099)
<b>Total Governmental Activities Net Position</b>	<b>\$ 5,248,686</b>	<b>\$ 4,877,786</b>	<b>\$ 5,175,476</b>	<b>\$ 5,453,672</b>	<b>\$ 5,849,152</b>	<b>\$ 6,362,344</b>	<b>\$ 6,277,546</b>	<b>\$ 4,360,761</b>	<b>\$ 4,240,059</b>	<b>\$ 5,708,168</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 5,718	\$ 4,671	\$ 3,625	\$ 2,578	\$ 1,916	\$ 23,709	\$ 22,849	\$ 25,718	\$ 22,195	\$ 18,672
Unrestricted	18,012	21,540	39,871	60,052	66,434	30,816	26,581	25,713	20,871	34,272
<b>Total Business-Type Activities Net Position</b>	<b>\$ 23,730</b>	<b>\$ 26,211</b>	<b>\$ 43,496</b>	<b>\$ 62,630</b>	<b>\$ 68,350</b>	<b>\$ 54,525</b>	<b>\$ 49,430</b>	<b>\$ 51,431</b>	<b>\$ 43,066</b>	<b>\$ 52,944</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 2,557,540	\$ 2,632,677	\$ 2,941,493	\$ 3,106,370	\$ 3,328,112	\$ 3,538,557	\$ 4,092,865	\$ 4,123,042	\$ 5,675,259	\$ 11,544,965
Restricted	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885	1,960,762	1,708,974
Unrestricted (Deficit)	207,057	72,189	61,820	(118,617)	92,500	127,101	39,941	(3,629,735)	(3,352,896)	(7,492,827)
<b>Total District Net Position</b>	<b>\$ 5,272,416</b>	<b>\$ 4,903,997</b>	<b>\$ 5,218,972</b>	<b>\$ 5,516,302</b>	<b>\$ 5,917,502</b>	<b>\$ 6,416,869</b>	<b>\$ 6,326,976</b>	<b>\$ 4,412,192</b>	<b>\$ 4,283,125</b>	<b>\$ 5,761,112</b>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: District's financial statements

**WOOD-RIDGE BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

Expenses	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Instruction	7,272,803	7,328,623	7,658,207	8,008,182	7,666,644	7,743,091	7,712,716	8,240,879	10,696,906	\$ 9,062,055
Regular										4,846,677
Special Education										440,860
Other Instruction										600,628
School Sponsored Activities And Athletics										
Support Services:										
Tuition	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406	3,239,564	
Student & Instruction Related Services	1,646,608	1,635,675	1,612,269	1,781,973	1,847,454	1,816,489	1,986,337	2,204,080	2,680,711	2,837,800
General Administrative Services	376,343	428,327	467,108	506,152	435,980	510,635	503,476	614,242	864,169	818,285
School Administrative Services	702,114	733,789	736,746	706,934	772,819	817,217	1,012,327	986,951	1,211,279	1,175,087
Central Services	292,557	300,433	307,367	324,204	325,703	338,875	352,975	363,566	430,455	680,796
Administrative Information Technology	121,535	115,934	113,534	118,893	154,345	151,831	154,031	165,977	167,076	
Plant Operations And Maintenance	1,513,133	1,626,326	1,654,393	1,571,446	1,501,748	1,521,990	1,574,683	1,666,628	1,531,313	2,239,654
Pupil Transportation	573,840	619,154	538,802	493,178	519,844	441,156	569,410	609,472	712,044	608,408
Business and Other Support Services	1,379,801	1,379,159	953,213	1,016,854	1,076,657	1,361,521	1,568,004	1,427,267		
Interest On Long-Term Debt	255,879	249,958	238,604	229,991	221,082	211,820	148,533	117,167	130,840	163,391
Unallocated Depreciation	252,984	226,951	221,552	224,606	251,864	212,926	242,936	246,648	246,648	
Capital Outlay	59,601		10,718		37,056	19,097	37,333	29,375	29,575	
Other - Bond Issuance Costs/Loss on Bond Sale							57,526	140,713		
Transfer to Charter School	-	-	-	50,075	49,296	27,658	36,897	62,473	56,186	-
<b>Total Governmental Activities Expenses</b>	<b>15,640,392</b>	<b>16,311,822</b>	<b>16,186,832</b>	<b>16,787,956</b>	<b>17,006,801</b>	<b>17,613,225</b>	<b>18,830,106</b>	<b>20,171,044</b>	<b>21,996,766</b>	<b>23,475,641</b>
<b>Business-Type Activities:</b>										
Food Service	382,645	394,949	400,845	377,660	381,875	406,185	415,251	392,425	430,064	430,350
<b>Total Business-Type Activities Expense</b>	<b>382,645</b>	<b>394,949</b>	<b>400,845</b>	<b>377,660</b>	<b>381,875</b>	<b>406,185</b>	<b>415,251</b>	<b>392,425</b>	<b>430,064</b>	<b>430,350</b>
<b>Total District Expenses</b>	<b>\$ 16,023,037</b>	<b>\$ 16,706,771</b>	<b>\$ 16,587,677</b>	<b>\$ 17,165,616</b>	<b>\$ 17,388,676</b>	<b>\$ 18,019,410</b>	<b>\$ 19,245,357</b>	<b>\$ 20,563,469</b>	<b>\$ 22,426,830</b>	<b>\$ 23,903,991</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Instruction (Tuition)	\$ 1,099,420	\$ 1,106,111	\$ 1,125,316	\$ 1,071,275	\$ 1,208,085	\$ 1,388,926	\$ 1,249,073	\$ 1,164,499	\$ 1,826,417	\$ 1,763,160
Capital Grants and Contributions										2,417,693
Operating Grants and Contributions	480,205	434,906	403,820	472,003	459,208	415,322	356,575	320,050	4,175,286	4,754,846
<b>Total Governmental Activities Program Revenues</b>	<b>1,579,625</b>	<b>1,541,017</b>	<b>1,529,136</b>	<b>1,543,278</b>	<b>1,667,293</b>	<b>1,804,248</b>	<b>1,605,648</b>	<b>1,484,549</b>	<b>6,001,703</b>	<b>8,935,699</b>
<b>Business-Type Activities:</b>										
Charges For Services:										
Food Service	321,753	327,151	344,491	306,966	299,648	295,931	294,123	291,439	293,568	299,859
Operating Grants And Contributions	64,596	67,581	75,639	89,828	87,947	96,429	92,617	102,987	128,131	140,369
<b>Total Business Type Activities Program Revenues</b>	<b>386,349</b>	<b>394,732</b>	<b>418,130</b>	<b>396,794</b>	<b>387,595</b>	<b>392,360</b>	<b>386,740</b>	<b>394,426</b>	<b>421,699</b>	<b>440,228</b>
<b>Total District Program Revenues</b>	<b>\$ 1,965,974</b>	<b>\$ 1,935,749</b>	<b>\$ 1,947,266</b>	<b>\$ 1,940,072</b>	<b>\$ 2,054,888</b>	<b>\$ 2,196,608</b>	<b>\$ 1,992,388</b>	<b>\$ 1,878,975</b>	<b>\$ 6,423,402</b>	<b>\$ 9,375,927</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (14,060,767)	\$ (14,770,805)	\$ (14,657,696)	\$ (15,244,678)	\$ (15,339,508)	\$ (15,808,977)	\$ (17,224,458)	\$ (18,686,495)	\$ (15,995,063)	\$ (14,537,942)
Business-Type Activities	3,704	(217)	17,285	19,134	5,720	(13,825)	(28,511)	2,001	(8,365)	9,878
<b>Total District-Wide Net Expense</b>	<b>\$ (14,057,063)</b>	<b>\$ (14,771,022)</b>	<b>\$ (14,640,411)</b>	<b>\$ (15,225,544)</b>	<b>\$ (15,333,788)</b>	<b>\$ (15,822,802)</b>	<b>\$ (17,252,969)</b>	<b>\$ (18,684,494)</b>	<b>\$ (16,003,428)</b>	<b>\$ (14,528,064)</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,831,384	\$ 11,548,935	\$ 12,341,718	\$ 12,807,191	\$ 13,563,859	\$ 13,835,156	\$ 14,111,839	\$ 15,141,775	\$ 15,444,610	\$ 15,875,422
Taxes Levied for Debt Service	283,960	341,273	424,904	396,132	453,918	478,252	205,103	144,562	123,370	127,200
Unrestricted Grants and Contributions	2,259,432	2,295,832	1,963,329	2,103,868	1,577,801	1,888,072	2,283,506	2,215,210	66,645	64,796
Interest and Miscellaneous Income	235,105	213,865	275,348	215,683	139,410	73,240	203,626	97,139	239,736	123,780
Rents and Royalties	-	-	-	-	-	-	-	251,368	-	-
Special Item - Sale of Property	-	-	-	-	-	-	-	2,500,000	-	-
Special Item - Capital Assets Superstorm Sandy	-	-	-	-	-	-	335,586	-	-	-
<b>Total Governmental Activities</b>	<b>13,609,881</b>	<b>14,399,905</b>	<b>15,005,299</b>	<b>15,522,874</b>	<b>15,734,988</b>	<b>16,274,700</b>	<b>17,139,660</b>	<b>20,350,054</b>	<b>15,874,361</b>	<b>16,191,198</b>
Business-Type Activities:										
Investment Earnings	1,102	2,698	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	23,416	-	-	-
<b>Total Business-Type Activities</b>	<b>1,102</b>	<b>2,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,416</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 13,610,983</b>	<b>\$ 14,402,603</b>	<b>\$ 15,005,299</b>	<b>\$ 15,522,874</b>	<b>\$ 15,734,988</b>	<b>\$ 16,274,700</b>	<b>\$ 17,163,076</b>	<b>\$ 20,350,054</b>	<b>\$ 15,874,361</b>	<b>\$ 16,191,198</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (450,886)	\$ (370,900)	\$ 347,603	\$ 278,196	\$ 395,480	\$ 465,723	\$ (84,798)	\$ 1,663,559	\$ (120,702)	\$ 1,652,256
Business-Type Activities	4,806	2,481	17,285	19,134	5,720	(13,825)	(5,095)	2,001	(8,365)	9,878
<b>Total District Wide</b>	<b>\$ (446,080)</b>	<b>\$ (368,419)</b>	<b>\$ 364,888</b>	<b>\$ 297,330</b>	<b>\$ 401,200</b>	<b>\$ 451,898</b>	<b>\$ (89,893)</b>	<b>\$ 1,665,560</b>	<b>\$ (129,067)</b>	<b>\$ 1,662,134</b>

Sources: District's financial statements

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 676,892	\$ 461,953	\$ 781,011	\$ 1,208,621	\$ 1,081,368	\$ 1,344,994	\$ 1,163,783	\$ 3,336,223	\$ 508,951	\$ 1,811,113
Restricted					104,265	97,938	47,728			
Committed					16,408	154,085	104,641	24,250	502,931	424,579
Assigned					307,398	412,321	308,739	340,037	408,027	205,543
Unassigned					-	-	-	-	-	-
Unreserved	<u>539,062</u>	<u>415,811</u>	<u>408,479</u>	<u>202,327</u>	-	-	-	-	-	-
Total General Fund	<u>\$ 1,215,954</u>	<u>\$ 877,764</u>	<u>\$ 1,189,490</u>	<u>\$ 1,410,948</u>	<u>\$ 1,509,439</u>	<u>\$ 2,009,338</u>	<u>\$ 1,624,891</u>	<u>\$ 3,700,510</u>	<u>\$ 1,419,909</u>	<u>\$ 2,441,235</u>
All Other Governmental Funds										
Reserved/Restricted	\$ 17,600	\$ 103,486	\$ 9,247						\$ 1,451,810	\$ (3,969,195)
Unreserved, Reported in:										
Capital Projects Fund	1,579,224	1,470,724	1,316,356	1,290,852	1,179,013	1,179,013	877,681	567,682		
Debt Service Fund	234,103	162,968	109,045	29,076	1,513	1,513	15,317	14,980	1	
Unassigned/(Deficit)	-	-	-	-	-	-	-	-	(245,865)	-
Total All Other Governmental Funds	<u>\$ 1,830,927</u>	<u>\$ 1,737,178</u>	<u>\$ 1,434,648</u>	<u>\$ 1,319,928</u>	<u>\$ 1,180,526</u>	<u>\$ 1,180,526</u>	<u>\$ 892,998</u>	<u>\$ 582,662</u>	<u>\$ 1,205,946</u>	<u>\$ (3,969,195)</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District's financial statements



**WOOD-RIDGE BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30.									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 11,115,344	\$ 11,890,208	\$ 12,766,622	\$ 13,203,323	\$ 14,017,777	\$ 14,313,388	\$ 14,316,942	\$ 15,286,337	\$ 15,567,980	\$ 16,002,622
Tuition Charges	1,099,420	1,106,111	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073	1,164,499	1,826,417	1,763,160
Interest Earnings	1,250	4,250	1,654	2,754	1,291	955	1,572	126	398	
Rents and Royalties								251,368	156,060	41,100
Sale of Property								1,000,000		
Miscellaneous	233,855	128,977	251,436	217,849	147,857	78,446	210,206	107,514	90,982	102,963
State Sources	2,401,104	2,418,029	2,061,052	2,067,158	1,485,053	1,841,412	2,283,506	2,215,210	2,365,307	4,861,543
Federal Sources	338,533	312,709	306,097	503,793	480,915	461,982	348,423	309,549	341,625	384,065
<b>Total Revenue</b>	<b>15,189,506</b>	<b>15,860,284</b>	<b>16,512,177</b>	<b>17,066,152</b>	<b>17,340,978</b>	<b>18,085,109</b>	<b>18,409,722</b>	<b>20,334,603</b>	<b>20,348,769</b>	<b>23,155,453</b>
<b>Expenditures</b>										
Instruction	6,162,252	6,147,001	6,532,437	6,799,791	6,384,469	6,497,134	6,433,075	6,836,872	7,147,837	
Regular Instruction										7,829,286
Special Education Instruction										4,568,623
Other Instruction										378,792
School Sponsored Activities and Athletics										528,412
Other Instructional Programs										
Community Services										
Support Services										
Tuition	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406	3,239,564	
Student and Inst. Related Services	1,441,966	1,427,299	1,430,231	1,550,394	1,611,251	1,582,299	1,758,434	1,957,784	2,070,393	2,618,755
General Administrative Services	337,004	385,508	426,104	461,530	385,284	455,113	447,064	536,112	501,935	761,737
School Administrative Services	591,719	616,026	624,762	591,923	641,279	658,524	811,400	784,016	732,130	1,026,878
Central Services	250,614	254,876	263,820	276,980	274,809	289,941	299,876	307,887	318,541	635,437
Administrative Information Technology	101,674	94,950	94,469	98,404	131,302	130,018	130,488	142,310	134,165	
Plant Operations And Maintenance	1,422,893	1,468,858	1,507,362	1,424,232	1,342,996	1,366,111	1,410,859	1,483,384	1,518,622	1,915,072
Pupil Transportation	568,798	636,262	538,575	487,519	512,908	434,863	562,065	600,973	452,959	605,110
Unallocated Benefits	3,051,626	3,160,948	2,666,737	2,841,960	3,112,470	3,152,822	3,474,794	3,511,404	3,761,171	
Capital Outlay	91,923		12,718	142,216	195,021	73,220	351,186	95,801	1,614,233	5,912,851
Debt Service										
Principal	25,083	241,105	262,164	245,000	255,000	265,000	275,000	310,000	320,000	393,682
Interest and Other Charges	256,804	251,941	242,914	233,922	225,172	216,072	206,279	144,898	138,350	134,633
Transfer to Charter School	-	-	-	50,075	49,296	27,658	36,897	62,473	56,186	-
<b>Total Expenditures</b>	<b>15,515,550</b>	<b>16,350,247</b>	<b>16,276,632</b>	<b>16,959,414</b>	<b>17,267,566</b>	<b>17,587,694</b>	<b>19,070,339</b>	<b>20,069,320</b>	<b>22,006,086</b>	<b>27,309,268</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(326,044)	(489,963)	235,545	106,738	73,412	497,415	(660,617)	265,283	(1,657,317)	(4,153,815)
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)	59,601									
Bond Proceeds							14,974			
Other - Superstorm Sandy Recovery							338,086			
Superstorm Sandy Expenses							(338,086)			
Transfers In	78,105	80,638	25,251	2,821	1,175	366	275,006	310,000	2,820,000	2,780,190
Transfers Out	(78,105)	(80,638)	(26,251)	(2,821)	(1,175)	(366)	(275,006)	(310,000)	(2,820,000)	(2,780,190)
<b>Total Other Financing Sources (Uses)</b>	<b>59,601</b>	<b>-</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,974</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (266,443)</b>	<b>\$ (489,963)</b>	<b>\$ 234,545</b>	<b>\$ 106,738</b>	<b>\$ 73,412</b>	<b>\$ 497,415</b>	<b>\$ (645,643)</b>	<b>\$ 265,283</b>	<b>\$ (1,657,317)</b>	<b>\$ (4,153,815)</b>
Debt Service as a Percentage of Noncapital Expenditures	1.83%	3.02%	3.11%	2.86%	2.82%	2.75%	2.58%	2.28%	2.25%	2.47%

\* Noncapital expenditures are total expenditures less capital outlay.

**WOOD-RIDGE BOARD OF EDUCATION**  
**GENERAL FUND OTHER LOCAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Interest on Investments</u>	<u>Restricted Miscellaneous Revenue</u>	<u>Tuition</u>	<u>Rentals-Use of Facilities</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
2007	\$ 47,098	\$ 1,250			\$ 94,159	\$ 14,493	\$ 157,000
2008	25,721	4,250			95,105	8,151	133,227
2009	37,752			\$ 2,300	41,659	166,480	248,191
2010	6,406					206,456	212,862
2011	5,976			2,625	78,564	51,070	138,235
2012	4,828			2,992	52,989	15,680	76,489
2013	1,572			120,000	57,160	24,888	203,620
2014	3,171				41,579	52,263	97,013
2015	6,856		\$ 1,826,417	156,060		84,524	2,073,857
2016	10,789		1,763,160	41,100	24,598	27,763	1,867,410

**WOOD-RIDGE BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 56,001,500	\$ 580,734,500	\$ 38,193,700	\$ 87,080,400	\$ 19,156,300	\$ 781,166,400	\$ 512,640	\$ 781,679,040	\$ 1,222,296,973	1.471
2008	56,865,200	580,594,200	38,213,700	87,080,400	19,156,300	781,909,800	534,774	782,444,574	1,348,779,852	1.576
2009	57,093,700	581,687,900	37,973,600	87,080,400	17,209,800	781,045,400	535,480	781,580,880	1,290,027,638	1.661
2010	56,529,300	584,494,100	37,973,600	87,080,400	17,209,800	783,287,200	614,644	783,901,844	1,315,447,940	1.736
2011	67,982,800	586,141,300	38,077,700	79,831,500	17,209,800	789,243,100	546,760	789,789,860	1,256,721,214	1.794
2012	68,575,400	587,155,700	38,043,200	79,765,900	16,949,100	790,489,300	532,680	791,021,980	1,228,999,888	1.822
2013	68,418,100	587,891,700	37,398,100	79,765,900	16,471,400	789,945,200	559,307	790,504,507	1,174,989,142	1.915
2014	73,570,000	589,584,400	38,288,000	78,883,300	16,471,400	796,797,100	602,730	797,399,830	1,217,882,320	1.952
2015	75,951,500	594,488,000	38,141,500	78,883,300	16,471,400	803,935,700	602,730	804,538,430	1,206,398,485	1.962
2016	73,375,747	607,503,900	38,363,200	77,523,800	16,471,400	813,238,047	631,987	813,870,034	1,196,009,774	1.985

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

**WOOD-RIDGE BOARD OF EDUCATION  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total Direct and Overlapping Tax Rate</u>	<u>School</u>	<u>Overlapping Rates</u>	
			<u>Borough of Wood-Ridge</u>	<u>Bergen County</u>
2007	\$ 2.860	\$ 1.471	\$ 1.106	\$ 0.283
2008	3.037	1.576	1.141	0.320
2009	3.201	1.661	1.204	0.336
2010	3.349	1.736	1.286	0.327
2011	3.386	1.794	1.264	0.328
2012	3.468	1.822	1.301	0.345
2013	3.600	1.915	1.334	0.351
2014	3.656	1.952	1.371	0.333
2015	3.768	1.962	1.447	0.359
2016	3.833	1.985	1.489	0.359

Source: Tax Duplicate, Borough of Wood-Ridge

**WOOD-RIDGE BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2016		2007	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation	Taxable Assessed Valuation	% of Total District Net Assessed Value
WR Industrial	\$ 45,850,000	5.63%		
Pulte Homes of NJ, LP - Westmont Dr.	14,490,000	1.78%		
Wood-Ridge Development LLC - Highland	12,017,700	1.48%		
Wood-Ridge Development LLC - Passaic S	6,871,247	0.84%		
Fleet Wood-Ridge LLC	6,760,000	0.83%	Not Available	
Cliff View Gardens	6,400,000	0.79%		
Pulte Homes of NJ, LP	4,830,000	0.59%		
One Ethel Blvd LLC	4,500,000	0.55%		
Wesmont Station Res I Urb Renewal	4,000,000	0.49%		
Deldor Realty Corp. C/O/Fiesta	3,703,200	0.46%		
	<u>\$ 109,422,147</u>	<u>13.44%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

**WOOD-RIDGE BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 11,115,344	\$ 11,113,499	99.98 %	\$ 1,905
2008	11,890,208	11,293,793	94.98	596,415
2009	12,766,622	12,543,650	98.25	222,972
2010	13,203,323	12,103,047	91.67	1,100,276
2011	14,017,777	12,845,197	91.64	1,172,580
2012	14,313,388	13,120,606	91.67	1,192,782
2013	14,316,942	13,113,314	91.59	1,203,628
2014	15,286,337	14,012,473	91.67	1,273,864
2015	15,567,980	14,919,313	95.83	648,667
2016	16,002,622	14,669,065	91.67	1,333,557

Source: District records.

**WOOD-RIDGE BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Population	Per Capita
2007	\$ 6,553,269	-0-	\$ 6,553,269	7,441	\$ 881
2008	6,312,164	-0-	6,312,164	7,433	849
2009	6,050,000	-0-	6,050,000	7,430	814
2010	5,805,000	-0-	5,805,000	7,462	778
2011	5,550,000	-0-	5,550,000	7,640	726
2012	5,285,000	-0-	5,285,000	7,700	686
2013	5,035,000	-0-	5,035,000	7,865	640
2014	4,725,000	-0-	4,725,000	7,900	598
2015	4,405,000	\$ 185,147	4,590,147	7,933	579
2016	4,075,000	121,465	4,196,465	8,249	509

Source: District records

(E) Estimated

**WOOD-RIDGE BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2007	\$ 6,553,269		\$ 6,553,269	0.838 %	\$ 881
2008	6,312,164		6,312,164	0.807	849
2009	6,050,000		6,050,000	0.774	814
2010	5,805,000		5,805,000	0.741	778
2011	5,550,000		5,550,000	0.703	726
2012	5,285,000		5,285,000	0.668	686
2013	5,035,000		5,035,000	0.637	640
2014	4,725,000		4,725,000	0.593	598
2015	4,405,000		4,405,000	0.548	555
2016	4,075,000		4,075,000	0.501	494

Source: District records



**WOOD-RIDGE BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
AS OF DECEMBER 31, 2015  
(Unaudited)**

	<u>Net Debt</u>
DIRECT DEBT: (1)	
Wood-Ridge Board of Education	\$ 13,452,513
Borough of Wood-Ridge	<u>31,277,327</u>
	<u>\$ 44,729,840</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) & (3)	
County of Bergen (A)	7,068,540
Bergen County Utilities Authority (B)	<u>2,009,652</u>
	<u>9,078,192</u>
Total Direct and Overlapping Debt	<u>\$ 53,808,032</u>

(A) The debt for this entity was apportioned to the Borough of Wood-Ridge by dividing the Municipality's 2015 equalized valuation by the total 2015 equalized valuation for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Wood-Ridge Annual Debt Statement
- (2) BCUA 2015 audit.
- (3) Bergen County Debt Statement December 31, 2015

WOOD-RIDGE BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 41,845,461	\$ 47,452,531	\$ 51,571,449	\$ 52,756,476	\$ 51,450,403	\$ 32,720,143	\$ 48,397,455	\$ 47,628,072	\$ 46,711,360	\$ 46,410,812
Total Net Debt Applicable to Limit	6,553,269	6,312,164	6,050,000	5,805,000	5,550,000	5,285,000	5,035,000	4,725,000	13,782,513	13,452,513
Legal Debt Margin	<u>\$ 35,292,192</u>	<u>\$ 41,140,367</u>	<u>\$ 45,521,449</u>	<u>\$ 46,951,476</u>	<u>\$ 45,900,403</u>	<u>\$ 27,435,143</u>	<u>\$ 43,362,455</u>	<u>\$ 42,903,072</u>	<u>\$ 32,928,847</u>	<u>\$ 32,958,299</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.66%	13.30%	11.73%	11.00%	10.79%	16.15%	10.40%	9.92%	29.51%	28.99%

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2013	\$ 1,169,249,852
2014	1,158,303,678
2015	1,153,257,352
	<u>\$ 3,480,810,882</u>
Average Equalized Valuation of Taxable Property	\$ 1,160,270,294
Debt Limit (4 % of Average Equalization Value)	\$ 46,410,812
Total Net Debt Applicable to Limit	<u>13,452,513</u>
Legal Debt Margin	<u>\$ 32,958,299</u>

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

**WOOD-RIDGE BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population(2)</u>
2007	2.90%	\$ 68,147	7,441
2008	3.80%	68,548	7,433
2009	6.80%	64,571	7,430
2010	6.90%	65,275	7,462
2011	6.80%	68,244	7,640
2012	7.00%	71,380	7,700
2013	5.70%	70,498	7,865
2014	5.30%	73,536	7,900
2015	4.80%	73,536	7,933
2016	4.80%	73,536	8,249

Source: New Jersey Department of Labor  
United States Bureau of Census  
School District Records

- (E) Estimated  
(1) County of Bergen  
(2) Estimated

**WOOD-RIDGE BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND TEN YEARS AGO  
(Unaudited)**

	<u>2016</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

**INFORMATION NOT AVAILABLE**

**WOOD-RIDGE BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<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										
Regular	64.0	69.0	68.4	72.9	72.0	71.8	66.0	75.4	83.2	80.4
Special Education	10.0	11.0	11.5	11.5	11.5	11.5	14.6	16.8	15.8	16.0
Other Special Education	9.0	9.0	11.0	9.0	9.3	9.2	4.0	2.0	2.0	2.0
Other Instruction	3.0	3.0	4.1	5.1	5.7	6.0	1.0	1.0	1.0	1.0
Support Services:										
Student and Instruction Related Services	19.0	13.2	13.5	13.2	13.2	13.2	15.0	17.0	11.0	18.5
General Administration		2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0
School Administrative Services	10.0	7.5	7.5	7.3	7.3	7.3	9.0	9.0	8.0	8.0
Central Services	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0
Plant Operations And Maintenance	14.0	13.0	13.0	12.0	12.0	12.0	11.5	12.0	11.5	12.0
Pupil Transportation				0.5	0.5	0.5	0.5	0.5	0.5	0.5
Food Service	-	-	-	-	-	-	-	1.0	1.0	1.0
Total	<u>135.0</u>	<u>131.7</u>	<u>135.0</u>	<u>137.5</u>	<u>137.5</u>	<u>137.5</u>	<u>128.1</u>	<u>141.7</u>	<u>142.0</u>	<u>147.4</u>

Source: District Personnel Records

WOOD-RIDGE BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2007	1,130	\$ 15,141,740	13,400	16.03%	94.0	1:19	1:18	1:16	1,130	1,077	-0.18%	95.31%
2008	1,152	15,857,201	13,765	2.73%	92.0	1:13.5	1:8.9	1:11.3	1,153	1,099	2.04%	95.32%
2009	1,195	15,758,836	13,187	-4.20%	97.0	1:14	1:15	1:10	1,185	1,127	2.78%	95.11%
2010	1,182	16,338,276	13,823	4.82%	98.5	1:16	1:13	1:13	1,143	1,106	-3.54%	96.76%
2011	1,159	16,592,373	14,316	3.57%	98.5	1:12	1:13	1:11	1,147	1,087	0.35%	94.77%
2012	1,159	17,033,402	14,697	2.66%	98.5	1:12	1:13	1:11	1,160	1,098	1.13%	94.66%
2013	1,140	18,237,874	15,998	8.86%	98.6	1:11	1:18	1:10	1,137	1,087	-1.98%	95.60%
2014	1,140	19,518,621	17,122	7.02%	112.2	1:11	1:10	1:9	1,134	1,087	-0.26%	95.86%
2015	1,200	19,933,503	16,611	-2.98%	110.1	1:10	1:12	1:11	1,182	1,141	4.23%	96.53%
2016	1,182	20,868,102	17,655	6.28%	99.40	1:10	1:12	1:11	1,178	1,139	-0.34%	96.69%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

WOOD-RIDGE BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>District Building</b>										
<b>Elementary</b>										
<b>Catherine A. Doyle (1952)</b>										
Square Feet	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587
Capacity (students)	355	355	355	355	355	355	355	355	355	355
Enrollment	479	479	529	535	525	525	501	319	351	353
<b>Middle School</b>										
<b>Wood-Ridge Intermediate School (2014)*</b>										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	37,725	37,725	37,725
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	290	290	290
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	279	267	268
<b>Ostrovsky Middle School (1958)**</b>										
Square Feet	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738
Capacity (students)	244	244	244	244	244	244	244	244	244	244
Enrollment	231	231	239	247	263	263	282	192	198	188
<b>High School</b>										
<b>Wood-Ridge High School (1923)</b>										
Square Feet	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792
Capacity (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	420	420	427	400	371	371	357	357	366	389
<b>Central Administration</b>										
Square Feet	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531

Number of Schools at June 30, 2016

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

\* Building owned by Borough of Wood-Ridge. District leases the building for \$1 per year.  
 \*\* 2014 became part of the Wood-Ridge Junior and Senior High School.

Source: District Records

**WOOD-RIDGE BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS**

	<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>
<b>* School Facilities</b>										
Catherine A. Doyle Elementary School	\$ 116,042	\$ 102,789	\$ 86,042	\$ 84,769	\$ 115,075	\$ 120,686	\$ 136,079	\$ 84,601	\$ 121,924	\$ 113,118
Intermediate School								52,174	75,080	69,657
Ostrovsky Middle School	100,001	63,553	87,917	74,088	101,081	90,710	99,378	83,361	78,287	72,633
Wood-Ridge High School	152,396	160,071	110,643	105,650	127,723	116,832	121,058	85,313	85,224	79,068
<b>Total School Facilities</b>	<b>368,439</b>	<b>326,413</b>	<b>284,602</b>	<b>264,507</b>	<b>343,879</b>	<b>328,228</b>	<b>356,515</b>	<b>305,449</b>	<b>360,515</b>	<b>334,476</b>
<b>Other Facilities</b>										
Central Administration	-	-	-	-	-	1,563	4,193	-	-	-
<b>Grand Total</b>	<b>\$ 368,439</b>	<b>\$ 326,413</b>	<b>\$ 284,602</b>	<b>\$ 264,507</b>	<b>\$ 343,879</b>	<b>\$ 329,791</b>	<b>\$ 360,708</b>	<b>\$ 305,449</b>	<b>\$ 360,515</b>	<b>\$ 334,476</b>

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

Source: School District's records



**WOOD-RIDGE BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	School Package Policy	\$ 43,518,163	\$ 2,500
	Building and Contents (All Locations)		
	Boiler and Machinery	100,000	2,500
	Comprehensive General Liability	5,000,000	-0-
	School Board Legal Liability	500,000	1,000
	Employer Liability	5,000,000	10,000
	Workers Compensation	1,000,000	10,000
	Statutory		-
Hartford Fire Insurance Company	Surety Bonds		
	Board Secretary/Business Administrator - J. Murray	225,000	N/A

Source: School Insurance Records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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ROBERT AMPONSAH, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Wood-Ridge Board of Education  
Wood-Ridge, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Wood-Ridge Board of Education's basic financial statements and have issued our report thereon dated November 4, 2016

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Wood-Ridge 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 Wood-Ridge Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wood-Ridge 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 Wood-Ridge Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Wood-Ridge Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 4, 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 Wood-Ridge Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wood-Ridge Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
November 4, 2016





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Wood-Ridge Board of Education  
Wood-Ridge, New Jersey

***Report on Compliance for Each Major State Program***

We have audited the Wood-Ridge Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Wood-Ridge Board of Education's major state programs for the fiscal year ended June 30, 2016. The Wood-Ridge Board of Education's major 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 state statutes, regulations and the terms and conditions of its state financial assistance applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Wood-Ridge Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Wood-Ridge 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 state program. However, our audit does not provide a legal determination of the Wood-Ridge Board of Education's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Wood-Ridge 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 state programs for the fiscal year ended June 30, 2016.

### ***Report on Internal Control Over Compliance***

Management of the Wood-Ridge 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 Wood-Ridge Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Wood-Ridge 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 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 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 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Board of Education, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 4, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
November 4, 2016

WOOD-RIDGE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2016			Memo GAAP Receivable
						(Account Receivable)	Unearned Revenue					(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
NCLB Consolidated:															
IDEA Part B - Basic	84.027	H027A150100	IDEA5830-16	7/01/15-6/30/16	\$ 265,333					\$ 212,558	\$ 265,333	\$ (52,775)			\$ (52,775)
IDEA Part B - Preschool	84.173	H173A150114	IDEA5830-15	7/01/15-6/30/16	11,375					11,375	11,375				
Title I	84.010A	S010A150030	NCLB5830-16	7/01/15-6/30/16	94,573			\$ 10,539	\$ (27,706)	17,167	88,184	(105,112)	\$ 16,928		(88,184)
Title I, Carryover	84.010A		NCLB5830-15	7/01/14-6/30/15	78,163	\$ (22,163)		(10,539)	27,706						
Title II - Part A	84.367A	S367A150029	NCLB5830-16	7/01/15-6/30/16	15,989			5,009	(5,408)	14,849	16,088	(6,548)	4,910		(1,638)
Title II - Part A, Carryover	84.367A		NCLB5830-15	7/01/14-6/30/15	16,355	(498)		(5,009)	5,408						
Title III	84.365A	S365A150030	NCLB5830-16	7/01/15-6/30/16	2,593			2,347	(2,347)		2,935	(4,940)	2,005		(2,935)
Title III, Carryover	84.365A		NCLB5830-15	7/01/14-6/30/15	2,347	-	-	(2,347)	2,347	-	-	-	-	-	-
Total Special Revenue Fund						(22,661)	-	-	-	255,949	383,915	(169,375)	23,843	-	(145,532)
U.S. Department of Agriculture															
Passed-through State Department of Agriculture															
Enterprise Fund:															
School Breakfast Program	10.553	16161NJ304N1095	N/A	7/01/15-6/30/16	10,711					10,096	10,711	(615)			(615)
School Breakfast Program	10.553			7/01/14-6/30/15	6,336	(601)				601					
National School Lunch Program															
Non-Cash Assistance	10.555	16161NJ304N1095	N/A	7/01/15-6/30/16	29,063					29,063	29,063				
Cash Assistance	10.555	16161NJ304N1095	N/A	7/01/15-6/30/16	96,809					92,073	96,809	(4,736)	-		(4,736)
Cash Assistance	10.555		N/A	7/01/14-6/30/15	93,502	(5,193)	-	-	-	5,193	-	-	-	-	-
Total Enterprise Fund						(5,794)	-	-	-	137,026	136,583	(5,351)	-	-	(5,351)
Total Federal Financial Awards						\$ (28,455)	\$ -	\$ -	\$ -	\$ 392,975	\$ 520,498	\$ (174,726)	\$ 23,843	\$ -	\$ (150,883)



WOOD-RIDGE BOARD OF EDUCATION  
 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	Award Amount	Balance July 1, 2015		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2016		MEMO		
				Unearned Revenue/ (Accts Rec)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 42,210			\$ 40,475	\$ 42,210		\$ (1,735)			\$ 42,210	
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	42,210	\$ (2,201)		2,201							
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	663,039			633,790	663,039		(27,249)			663,039	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	663,039	(34,576)		34,576							
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	18,978			18,198	18,978		(780)			18,978	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	18,978	(990)		990							
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	10,940			10,490	10,940		(450)			10,940	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	10,940	(570)		570							
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	10,940			10,490	10,940		(450)			10,940	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	10,940	(570)		570							
Total State Aid Public				(38,907)		754,350	746,107		(30,664)			746,107	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	32,013			30,698	32,013		(1,315)			32,013	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	32,013	(1,670)		1,670							
Extraordinary Special Education Costs	16-495-034-5120-044	7/1/15-6/30/16	226,887				226,887		(226,887)			226,887	
Extraordinary Special Education Costs	15-495-034-5120-044	7/1/14-6/30/15	208,153	(208,153)		208,153							
On-Behalf TPAF Contributions-Post Retirement	16-495-034-5094-001	7/1/15-6/30/16	622,328			622,328	622,328					622,328	
On-Behalf TPAF Contributions-Normal Cost	16-495-034-5094-002	7/1/15-6/30/16	497,847			497,847	497,847					497,847	
On-Behalf TPAF Contributions-NCGI	16-495-034-5094-004	7/1/15-6/30/16	24,800			24,800	24,800					24,800	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	512,157			487,044	512,157		(25,113)		\$ (25,113)	512,157	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	487,498	(23,665)		23,665							
Total General Fund				(272,395)		2,650,555	2,662,139		(283,979)			(25,113)	2,662,139
Capital Projects Fund													
High School Roof Replacement	5830-050-14-1002	7/1/14-6/30/15	379,560				353,359		(379,560)	\$ 26,201		(379,560)	353,359
2014 Referendum:													
Ostrovsky Middle School Gym HVAC	5830-070-14-1009	7/1/14-6/30/15	271,200				20,161		(271,200)	251,039		(271,200)	20,161
Ostrovsky Middle School Windows	5830-070-14-1010	7/1/14-6/30/15	303,680				211,103		(303,680)	92,577		(303,680)	211,103
Ostrovsky Middle School HVAC	5830-070-14-1008	7/1/14-6/30/15	676,200				204,925		(676,200)	471,275		(676,200)	204,925
Doyle HVAC	5830-060-14-1007	7/1/14-6/30/15	1,020,040				953,656		(1,020,040)	66,384		(1,020,040)	953,656
Doyle Window Replacement	5830-060-14-1005	7/1/14-6/30/15	233,880				185,702		(233,880)	48,178		(233,880)	185,702
High School Window Replacement	5830-050-14-1004	7/1/14-6/30/15	443,880				391,269		(443,880)	52,611		(443,880)	391,269
High School HVAC	5830-050-14-1001	7/1/14-6/30/15	1,493,520				97,518		(1,493,520)	1,396,002		(1,493,520)	97,518
Total Capital Projects Fund							2,417,693		(4,821,960)	2,404,267		(4,821,960)	2,417,693
Enterprise Fund:													
State Department of Agriculture													
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	3,786			3,600	3,786		(186)			(186)	3,786
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	3,901	(205)		205							
Total Enterprise Fund				(205)		3,805	3,786		(186)			(186)	3,786
Total State Financial Assistance Subject to Single Audit Determination				(272,600)		2,654,360	5,083,618		(5,106,125)	2,404,267		(4,847,259)	5,083,618
State Financial Assistance Not Subject to Single Audit Determination													
General Fund - On Behalf TPAF													
Post Retirement Medical	16-495-034-5094-001	7/1/15-6/30/16	622,328			(622,328)	(622,328)						(622,328)
Pension Contributions	16-495-034-5094-002	7/1/15-6/30/16	497,847			(497,847)	(497,847)						(497,847)
NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	24,800			(24,800)	(24,800)						(24,800)
Total State Financial Assistance Subject to Major Program Determination				\$ (272,600)	\$ -	\$ 1,509,385	\$ 3,938,643	\$ -	\$ (5,106,125)	\$ 2,404,267	\$ -	\$ (4,847,259)	\$ 3,938,643

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Wood-Ridge Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$218,289 for the general fund and a decrease of \$6,561 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,443,850	\$ 2,443,850
Special Revenue Fund	\$ 384,065		384,065
Capital Projects Fund		2,417,693	2,417,693
Food Service Fund	<u>136,583</u>	<u>3,786</u>	<u>140,369</u>
Total Awards Financial Assistance	<u>\$ 520,648</u>	<u>\$ 4,865,329</u>	<u>\$ 5,385,977</u>

**WOOD-RIDGE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$512,157 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$522,647 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$622,328 represents the amount paid by the State on behalf of the District for the fiscal 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 amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

WOOD-RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?            yes       X       none reported

Noncompliance material to basic financial statements noted?            yes       X       no

**Federal Awards Section**

**Not Applicable**

**WOOD-RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

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

Internal Control over compliance:

1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  no

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? \_\_\_\_\_ yes  X  no

Identification of major programs:

GMIS Number(s)

Name of State Program

Various

Schools Development Authority

Dollar threshold used to determine Type A programs

\$750,000

Auditee qualified as low-risk auditee?

X  yes \_\_\_\_\_ no

**WOOD-RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**WOOD-RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance including questioned costs related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**WOOD-RIDGE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.