

**WOOD-RIDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017

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

November 14, 2017

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, 2017, 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 2016-2017 fiscal year with an enrollment of 1,244 students, an increase of 62 students 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 2017 is reported at 6.5%, (4.40%) as reported by the US Bureau of Labor Statistics.

3) MAJOR INITIATIVES:

- The Wood-Ridge School District has a long tradition of excellence in the classrooms, on the athletic fields and in co-curricular activities. Our public schools serve students in grades pre-k through 12. To ensure that we continue to meet the expectations of our 21st century community, the District is transforming education through the use of technology, partnerships with institutes of higher education and community service learning.
- Award-winning choir at Wood-Ridge Jr/Sr High School performed at Carnegie Hall; Doyle School was recognized by PepsiCo for their participation in a school-wide recycling contest.
- High School participated in Middle College Program and Advanced Placement course options; students at the Intermediate School who are identified as high performing are placed in advanced math & language arts classes; Doyle School utilized Tools of Mind in pre-k & kindergarten; Readers & Writers workshop model is used in all literacy instruction.
- Almost 40% of our student body participates in Athletics. Our teams are regular qualifiers for the State and County Tournaments. Our numbers are increasing with participation.
- Doyle School offers a Citizenship Club; Intermediate School & High School offer a variety of extra-curricular clubs including Art, Drama, STEM, Student Council, Safety Patrol, Journalism, Band, Chess, Debate, Environments, Honor Societies, School Play/Musical, Teen Institute, Heroes & Cool Kids and yearbook.
- Extended school day and extended school year programs are offered at the High School; Before Care & After Care programs are offered at the Doyle School & Intermediate School. After school help is available at all schools. Title I funded after school programs are offered from January – May. Mad Science programs are offered at the Doyle School & Intermediate School.
- Child Study Team functions as consultants to the district's schools for special education students in designated grades both in and out of district. Services offered include: occupational therapy, physical therapy, speech therapy, counseling & in-home services.
- All students meet the state requirement for physical education meeting times. Physical Education curriculum was updated to represent a curriculum that supports Healthy Lifestyle choices for the Long term. The Physical Education curriculum has moved away from team centered games and toward exercise fitness and well-being. Additionally the students are taught Nutrition and food choices in the health classroom.
- All schools have Wi-Fi throughout the buildings. Doyle School added new HVAC, window, doors and playground; the High School added new HVAC and updated the gym & science labs.
- Doyle & Intermediate Schools operate on an 8-period day; the High School uses a rotating block schedule. Programs offered for students include integrated classes, self-contained classes and regular education classes. Technology has been increased districtwide; A School Emergency Crisis plan has been updated & included school safety drills & safety team. Security cameras have been installed throughout all buildings.

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, 2017.

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 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:

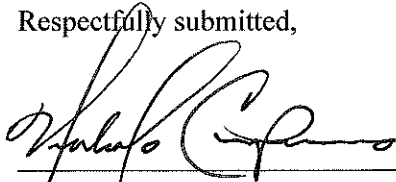
The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9) OTHER INFORMATION:

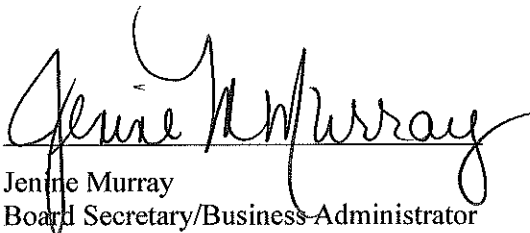
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP, was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the 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.

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,

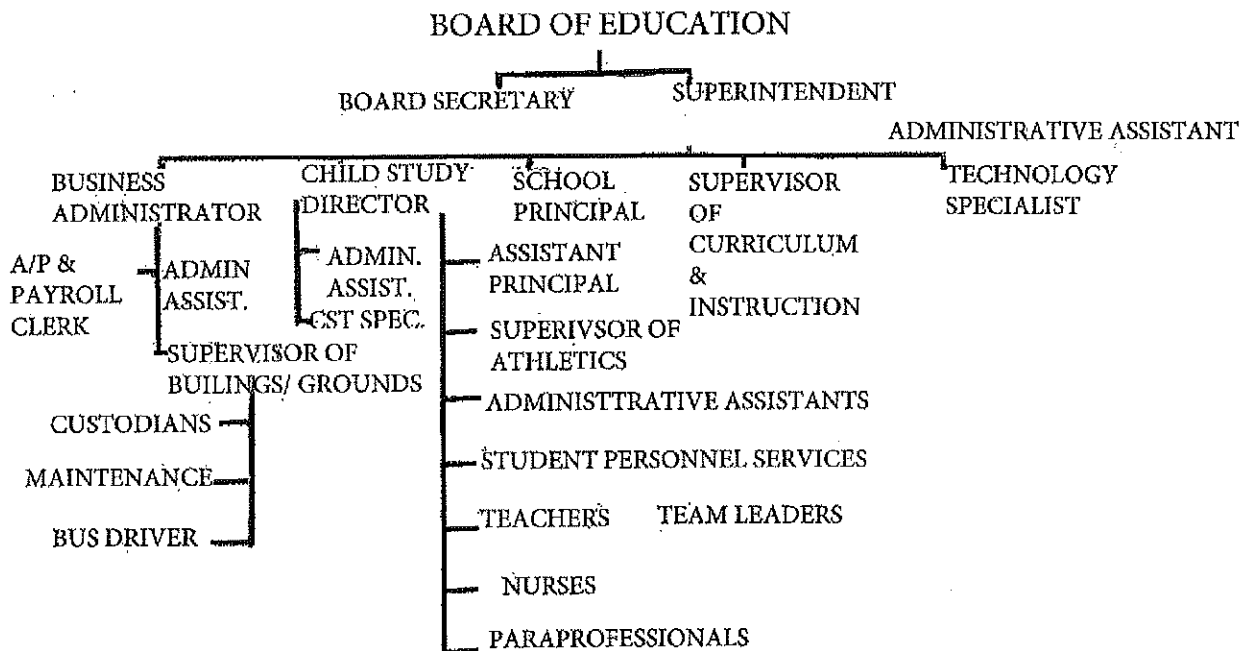


Nicholas Cipriano
Superintendent of Schools



Jenine Murray
Board Secretary/Business Administrator

Wood-Ridge School District Organizational Chart



WOOD-RIDGE BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2017**

MEMBERS OF THE BOARD OF EDUCATION

	<u>Term Expires December 31st</u>
Albert Nieves, President	2018
Robert Valenti, Vice President	2017
Joseph Biamonte, Jr.	2019
Christopher Garvin	2019
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, 2017

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, PSA

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, 2017 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2017, 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

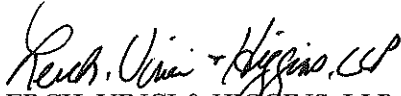
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wood-Ridge Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures 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 14, 2017 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 the effectiveness of the Wood-Ridge Board of Education's 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 14, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

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, 2017. 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 \$5,690,087 (net position).
- Total School District's net position decreased \$71,025.
- District-Wide general revenues accounted for \$17,127,640 or 65 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$9,379,627 or 35 percent of total revenues of \$26,507,267.
- Total net position of governmental activities was \$5,610,209 as of June 30, 2017 a decrease of \$97,959 from the previous year.
- The District had \$26,165,747 in expenses related to governmental activities; only \$8,940,148 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17,127,640 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$21,115,833 in revenues, \$21,474,124 in expenditures. The General Fund's fund balance decreased \$366,599 from the previous year to \$2,074,636 at June 30, 2017.
- The General Fund unassigned budgetary fund balance decreased \$59,252 from the previous year to \$405,157 at June 30, 2017.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

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, 2017?" 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, liabilities and deferred inflows of resources 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, 2017

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, 2017

The following provides a summary of the District's net position as of June 30, 2017 and 2016.

	Net Position					
	As of June 30, 2017 and 2016					
	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
ASSETS						
Current Assets	\$ 4,924,434	\$ 9,856,354	\$ 78,768	\$ 109,900	\$ 5,003,202	\$ 9,966,254
Capital Assets	<u>19,630,764</u>	<u>15,651,024</u>	<u>23,815</u>	<u>18,672</u>	<u>19,654,579</u>	<u>15,669,696</u>
Total Assets	<u>24,555,198</u>	<u>25,507,378</u>	<u>102,583</u>	<u>128,572</u>	<u>24,657,781</u>	<u>25,635,950</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refunding of Debt	144,242	171,629			144,242	171,629
Deferred Amount on Net Pension Liability	<u>2,209,495</u>	<u>784,638</u>	-	-	<u>2,209,495</u>	<u>784,638</u>
Total Deferred Outflows of Resources	<u>2,353,737</u>	<u>956,267</u>	-	-	<u>2,353,737</u>	<u>956,267</u>
Total Assets and Deferred Outflows of Resources	<u>26,908,935</u>	<u>26,463,645</u>	<u>102,583</u>	<u>128,572</u>	<u>27,011,518</u>	<u>26,592,217</u>
LIABILITIES						
Other Liabilities	10,443,105	11,440,345	22,705	75,628	10,465,810	11,515,973
Long-Term Liabilities	<u>10,819,972</u>	<u>9,196,141</u>	-	-	<u>10,819,972</u>	<u>9,196,141</u>
Total Liabilities	<u>21,263,077</u>	<u>20,636,486</u>	<u>22,705</u>	<u>75,628</u>	<u>21,285,782</u>	<u>20,712,114</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	<u>35,649</u>	<u>118,991</u>	-	-	<u>35,649</u>	<u>118,991</u>
Total Deferred Inflows of Resources	<u>35,649</u>	<u>118,991</u>	-	-	<u>35,649</u>	<u>118,991</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,298,726</u>	<u>20,755,477</u>	<u>22,705</u>	<u>75,628</u>	<u>21,321,431</u>	<u>20,831,105</u>
NET POSITION						
Net Investment in Capital Assets	15,858,968	11,526,293	23,815	18,672	15,882,783	11,544,965
Restricted	1,670,471	1,708,974			1,670,471	1,708,974
Unrestricted	<u>(11,919,230)</u>	<u>(7,527,099)</u>	<u>56,063</u>	<u>34,272</u>	<u>(11,863,167)</u>	<u>(7,492,827)</u>
Total Net Position	<u>\$ 5,610,209</u>	<u>\$ 5,708,168</u>	<u>\$ 79,878</u>	<u>\$ 52,944</u>	<u>\$ 5,690,087</u>	<u>\$ 5,761,112</u>

The District's combined net position was \$5,690,087 at June 30, 2017, which was a decrease of \$71,025 or 1 percent from the prior year.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The following schedule shows changes in net position for fiscal years ended June 30, 2017 and 2016.

Change in Net Position
for the Fiscal Years Ended June 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,757,641	\$ 1,763,160	\$ 293,632	\$ 299,859	\$ 2,051,273	\$ 2,063,019
Operating Grants and Contributions	6,338,049	4,754,846	145,847	140,369	6,483,896	4,895,215
Capital Grants and Contributions	844,458	2,417,693			844,458	2,417,693
General Revenues						
Property Taxes	16,827,609	16,002,622			16,827,609	16,002,622
Unrestricted State Aid	82,451	64,796			82,451	64,796
Other	217,580	123,780	-	-	217,580	123,780
Total Revenues	<u>26,067,788</u>	<u>25,126,897</u>	<u>439,479</u>	<u>440,228</u>	<u>26,507,267</u>	<u>25,567,125</u>
Expenses						
Instruction						
Regular	9,973,941	9,062,055			9,973,941	9,062,055
Special Education	5,420,002	4,846,677			5,420,002	4,846,677
Other Instruction	509,460	440,860			509,460	440,860
School Sponsored Activities and Athletics	706,810	600,628			706,810	600,628
Support Services						
Student and Instruction Related Services	3,022,317	2,837,800			3,022,317	2,837,800
General Administration Services	850,764	818,285			850,764	818,285
School Administration Services	1,401,041	1,175,087			1,401,041	1,175,087
Central and Other Support Services	788,960	680,796			788,960	680,796
Plant Operations and Maintenance	2,600,649	2,239,654			2,600,649	2,239,654
Pupil Transportation	782,790	608,408			782,790	608,408
Interest on Long Term Debt	109,013	163,391			109,013	163,391
Food Service	-	-	412,545	430,350	412,545	430,350
Total Expenses	<u>26,165,747</u>	<u>23,473,641</u>	<u>412,545</u>	<u>430,350</u>	<u>26,578,292</u>	<u>23,903,991</u>
Change in Net Position	(97,959)	1,653,256	26,934	9,878	(71,025)	1,663,134
Net Position, Beginning of Year	<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>
Net Position, Ending of Year	<u>\$ 5,610,209</u>	<u>\$ 5,708,168</u>	<u>\$ 79,878</u>	<u>\$ 52,944</u>	<u>\$ 5,690,087</u>	<u>\$ 5,761,112</u>

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Governmental Activities

The District's total revenues were \$26,067,788 and \$25,126,897 for the fiscal years ended June 30, 2017 and 2016, respectively. Property taxes comprised 65 percent and 64 percent of revenues for governmental activities for fiscal years ended June 30, 2017 and 2016, respectively. Federal, state and local grants of \$7,264,958 and \$7,237,335 accounted for another 28 percent and 29 percent of revenues for the fiscal years ended June 30, 2017 and 2016, 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 \$26,165,747 and \$23,473,641 for the fiscal years ended June 30, 2017 and 2016, 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 63 and 64 percent of governmental program expenses for the fiscal years ended June 30, 2017 and 2016, respectively. Support services expenses make up 36 percent of governmental expenses for the fiscal years ended June 30, 2017 and 2016, 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, 2017 and 2016

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction				
Regular	\$ 9,973,941	\$ 9,062,055	\$ 5,097,472	\$ 4,994,259
Special Education	5,420,002	4,846,677	3,603,828	3,394,400
Other Instruction	509,460	440,860	346,161	326,338
School Sponsored Activities and Athletics	706,810	600,628	500,195	467,382
Support Services				
Student and Instruction Related Services	3,022,317	2,837,800	2,514,006	2,459,431
General Administration Services	850,764	818,285	762,334	752,912
School Administration Services	1,401,041	1,175,087	1,089,529	967,925
Central and Other Support Services	788,960	680,796	723,138	633,091
Plant Operations and Maintenance	2,600,649	2,239,654	1,733,842	(197,227)
Pupil Transportation	782,790	608,408	746,081	576,040
Interest on Long Term Debt	109,013	163,391	109,013	163,391
Total	\$ 26,165,747	\$ 23,473,641	\$ 17,225,599	\$ 14,537,942

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, 2017

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$439,479 and expenses of \$412,545 during the fiscal year ended June 30, 2017. Of the revenues, \$293,632 were charges for services paid by patrons for daily food service, and \$145,847 were from State and Federal reimbursements for the fiscal year ended June 30, 2017.

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 \$22,918,472 and \$23,155,453 and expenditures were \$26,857,895 and \$27,309,268 for the fiscal years ended June 30, 2017 and 2016, 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 ended June 30, 2017 and 2016.

<u>Revenue</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2017</u>	<u>2016</u>		
Local Sources	\$ 18,826,940	\$ 17,909,845	\$ 917,095	5%
State Sources	3,706,100	4,861,543	(1,155,443)	-24%
Federal Sources	<u>385,432</u>	<u>384,065</u>	<u>1,367</u>	0%
Total	<u>\$ 22,918,472</u>	<u>\$ 23,155,453</u>	<u>\$ (236,981)</u>	-1%

For fiscal year 2017 total governmental revenues decreased \$236,981 or 1% from the previous year. The increase in local sources of \$917,095 or 5% was attributable to an increase in property taxes to support increases in budgeted operating costs. As indicated state sources decreased \$1,155,443 or 24% mainly due to a decrease of SDA grant revenue realized in the Capital Projects Fund. The increase in federal sources of \$1,367 was a result of increased NCLB and IDEA grant funds.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2017 and 2016.

<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>2017</u>	<u>2016</u>		
Current				
Instruction	\$ 13,975,835	\$ 13,305,113	\$ 670,722	5%
Support Services	7,840,044	7,562,989	277,055	4%
Debt Service	528,571	528,315	256	0%
Capital Outlay	<u>4,513,445</u>	<u>5,912,851</u>	<u>(1,399,406)</u>	-24%
Total	<u>\$ 26,857,895</u>	<u>\$ 27,309,268</u>	<u>\$ (451,373)</u>	-1.7%

For fiscal year 2017, total governmental funds expenditures decreased \$451,373 or 1.7%. Increases in instruction costs were attributable to special education programs and increases in support services costs were attributable to administrative services, as well as plant operations and maintenance costs. Capital outlay decreased significantly as a result of the activity related to the 2014 referendum project.

Of the governmental funds, the General Fund had \$21,115,833 in revenues (predominately property taxes), and \$21,474,124 in expenditures. Other financing uses exceeded sources by \$8,308. As a result the General Fund's fund balance decreased \$366,599 from \$2,441,235 at June 30, 2016 to \$2,074,636 at June 30, 2017.

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 2017 General Fund budgetary revenues and other financing sources were less than budgetary expenditures and other financing uses decreasing budgetary fund balance \$327,513. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance decreased \$59,252 from an unassigned fund balance of \$464,409 at June 30, 2016 to \$405,157 at June 30, 2017. In addition, restricted fund balance for capital reserve decreased \$8,308 from \$1,608,973 at June 30, 2016 to \$1,600,665 at June 30, 2017.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Capital Assets

At the end of fiscal years 2017 and 2016, the District had \$19,654,579 and \$15,669,696 invested in construction in progress, buildings, land improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$3,984,883 from fiscal year 2016 to fiscal year 2017. The following schedule is a comparison of capital assets net of depreciation at June 30, 2017 and 2016.

Capital Assets, Net of Depreciation
As of June 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Construction in Progress	\$ 7,732,277	\$ 7,298,654		
Land Improvements	112,609	121,829		
Building and Building Improvements	11,610,561	8,034,773		
Machinery and Equipment	<u>175,317</u>	<u>195,768</u>	\$ 23,815	\$ 18,672
Total	<u>\$ 19,630,764</u>	<u>\$ 15,651,024</u>	<u>\$ 23,815</u>	<u>\$ 18,672</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, 2017 and 2016, the District had \$10,819,972 and \$9,196,141 of long-term liabilities, respectively. Of this amount, \$3,916,038 and \$4,296,360 is for school refunding bonds, \$59,585 and \$121,465 is for capital leases, \$213,225 and \$190,760 is for compensated absences and \$6,631,124 and \$4,587,556 is for the District's net pension liability, respectively. For fiscal year 2017 total outstanding long-term liabilities increased by \$1,623,831 from the prior year.

Long-Term Liabilities
As of June 30, 2017 and 2016

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Serial Bonds Payable (including premium)	\$ 3,916,038	\$ 4,296,360
Capital Leases	59,585	121,465
Compensated Absences	213,225	190,760
Net Pension Liability	<u>6,631,124</u>	<u>4,587,556</u>
Total	<u>\$ 10,819,972</u>	<u>\$ 9,196,141</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, 2017

For the Future

The Wood-Ridge Board of Education is in sound financial condition. 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 2017-2018 was approved by the Board in April of 2017. Budgeted expenditures in the General Fund increased 3.0% to \$20,939,129 for fiscal year 2017-2018.

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, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,940,547	\$ 69,641	\$ 3,010,188
Receivables, net	1,983,887	6,887	1,990,774
Inventory		2,240	2,240
Capital Assets			
Not Being Depreciated	7,732,277		7,732,277
Being Depreciated, Net	11,898,487	23,815	11,922,302
Total Assets	<u>24,555,198</u>	<u>102,583</u>	<u>24,657,781</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	144,242		144,242
Deferred Amount of Net Pension Liability	2,209,495		2,209,495
Total Deferred Outflows of Resources	<u>2,353,737</u>		<u>2,353,737</u>
Total Assets and Deferred Outflows of Resources	<u>26,908,935</u>	<u>102,583</u>	<u>27,011,518</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	474,849	22,705	497,554
Due to Other Funds	1,462		1,462
Loan Payable	9,377,513		9,377,513
Unearned Revenue	537,993		537,993
Accrued Interest Payable	51,288		51,288
Noncurrent Liabilities			
Due Within One Year	440,908		440,908
Due Beyond One Year	10,379,064		10,379,064
Total Liabilities	<u>21,263,077</u>	<u>22,705</u>	<u>21,285,782</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	35,649		35,649
Total Deferred Inflows of Resources	<u>35,649</u>	<u>-</u>	<u>35,649</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,298,726</u>	<u>22,705</u>	<u>21,321,431</u>
NET POSITION			
Net Investment in Capital Assets	15,858,968	23,815	15,882,783
Restricted for:			
Debt Service	69,806		69,806
Capital Projects	1,600,665		1,600,665
Unrestricted	(11,919,230)	56,063	(11,863,167)
Total Net Position	<u>\$ 5,610,209</u>	<u>\$ 79,878</u>	<u>\$ 5,690,087</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, 2017**

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
Governmental Activities							
Instruction							
Regular	\$ 9,973,941	\$ 1,757,641	\$ 3,118,828		\$ (5,097,472)		\$ (5,097,472)
Special Education	5,420,002		1,816,174		(3,603,828)		(3,603,828)
Other Instruction	509,460		163,299		(346,161)		(346,161)
School Sponsored Activities and Athletics	706,810		206,615		(500,195)		(500,195)
Support Services							
Student and Instruction Related Svcs.	3,022,317		508,311		(2,514,006)		(2,514,006)
General Administrative Services	850,764		88,430		(762,334)		(762,334)
School Administrative Services	1,401,041		311,512		(1,089,529)		(1,089,529)
Plant Operations and Maintenance	2,600,649		22,349	\$ 844,458	(1,733,842)		(1,733,842)
Pupil Transportation	782,790		36,709		(746,081)		(746,081)
Business Services	788,960		65,822		(723,138)		(723,138)
Interest on Long-Term Debt	109,013				(109,013)		(109,013)
Total Governmental Activities	26,165,747	1,757,641	6,338,049	844,458	(17,225,599)	-	(17,225,599)
Business-Type Activities							
Food Service	412,545	293,632	145,847	-		\$ 26,934	26,934
Total Business-Type Activities	412,545	293,632	145,847	-	-	26,934	26,934
Total Primary Government	\$ 26,578,292	\$ 2,051,273	\$ 6,483,896	\$ 844,458	(17,225,599)	26,934	(17,198,665)
General Revenues:							
Property Taxes, Levied for General Purposes					16,304,930		16,304,930
Property Taxes, Levied for Debt Service					522,679		522,679
State Aid - Unrestricted					73,250		73,250
Debt Service Aid					9,201		9,201
Miscellaneous Income					217,580		217,580
Total General Revenues					17,127,640	-	17,127,640
Change in Net Position					(97,959)	26,934	(71,025)
Net Position, Beginning of Year					5,708,168	52,944	5,761,112
Net Position, End of Year					\$ 5,610,209	\$ 79,878	\$ 5,690,087

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, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,235,364		\$ 635,377	\$ 69,806	\$ 2,940,547
Due From Other Funds	8,043				8,043
Receivables, Net					
Receivables From Other Governments	<u>293,178</u>	<u>\$ 22,720</u>	<u>1,667,989</u>	<u>-</u>	<u>1,983,887</u>
Total Assets	<u>\$ 2,536,585</u>	<u>\$ 22,720</u>	<u>\$ 2,303,366</u>	<u>\$ 69,806</u>	<u>\$ 4,932,477</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 436,887	\$ 1,438	\$ 36,524		\$ 474,849
Note Payable			9,377,513		9,377,513
Due To Other Funds	1,462	8,043			9,505
Unearned Revenue	<u>23,600</u>	<u>13,239</u>	<u>501,154</u>	<u>-</u>	<u>537,993</u>
Total Liabilities	<u>461,949</u>	<u>22,720</u>	<u>9,915,191</u>	<u>-</u>	<u>10,399,860</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	1,300,665				1,300,665
Capital Reserve- Designated for Subsequent Year's Budget	300,000				300,000
Capital Projects			(7,611,825)		(7,611,825)
Debt Service				\$ 69,806	69,806
Assigned Fund Balance					
Designated for Subsequent Year's Budget	254,594				254,594
ARRA/SEMI	1,291				1,291
Encumbrances	110,881				110,881
Unassigned Fund Balance	<u>107,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,205</u>
Total Fund Balances	<u>2,074,636</u>	<u>-</u>	<u>(7,611,825)</u>	<u>69,806</u>	<u>(5,467,383)</u>
Total Liabilities and Fund Balances	<u>\$ 2,536,585</u>	<u>\$ 22,720</u>	<u>\$ 2,303,366</u>	<u>\$ 69,806</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 \$25,864,580 and the accumulated depreciation is \$6,233,816. 19,630,764

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) (10,819,972)

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. 144,242

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (51,288)

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	\$ 2,209,495	
Deferred Inflows of Resources	<u>(35,649)</u>	
		<u>2,173,846</u>

Net Position of Governmental Activities \$ 5,610,209

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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 16,304,930			\$ 522,679	\$ 16,827,609
Tuition	1,757,641				1,757,641
Miscellaneous	199,530	\$ 24,110	\$ 18,050		241,690
Total - Local Sources	18,262,101	24,110	18,050	522,679	18,826,940
State Sources	2,852,441		844,458	9,201	3,706,100
Federal Sources	1,291	384,141			385,432
Total Revenues	21,115,833	408,251	862,508	531,880	22,918,472
EXPENDITURES					
Current					
Instruction					
Regular Instruction	7,899,413	123,118			8,022,531
Special Education Instruction	4,709,166	263,166			4,972,332
Other Instruction	405,587				405,587
School Sponsored Activities and Athletics	575,385				575,385
Support Services					
Student and Instruction Related Services	2,618,855	21,967			2,640,822
General Administrative Services	739,786				739,786
School Administrative Services	1,134,711				1,134,711
Plant Operations and Maintenance	1,877,290				1,877,290
Pupil Transportation	771,724				771,724
Business Services	675,711				675,711
Debt Service					
Principal	61,880			345,000	406,880
Interest	4,616			117,075	121,691
Capital Outlay			4,513,445		4,513,445
Total Expenditures	21,474,124	408,251	4,513,445	462,075	26,857,895
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(358,291)	-	(3,650,937)	69,805	(3,939,423)
OTHER FINANCING SOURCES (USES)					
Transfers In	91,692		100,000		191,692
Transfers Out	(100,000)		(91,692)		(191,692)
Total Other Financing Sources and Uses	(8,308)	-	8,308	-	-
Net Change in Fund Balance	(366,599)	-	(3,642,629)	69,805	(3,939,423)
Fund Balance, Beginning of Year	2,441,235	-	(3,969,196)	1	(1,527,960)
Fund Balance, End of Year	\$ 2,074,636	\$ -	\$ (7,611,825)	\$ 69,806	\$ (5,467,383)

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, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (3,939,423)

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	\$	4,513,445	
Depreciation Expense		<u>(533,705)</u>	
			3,979,740

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		345,000	
Capital Leases Payable		<u>61,880</u>	
			406,880

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		(27,387)	
Original Issue Premium		<u>35,322</u>	
			7,935

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 Increase in Compensated Absences		(22,465)	
Net Increase in Pension Expense		(535,369)	

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>4,743</u>	
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ (97,959)

**WOOD-RIDGE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 69,641
Intergovernmental Receivable	
State	234
Federal	6,653
Inventories	<u>2,240</u>
 Total Current Assets	 <u>78,768</u>

Noncurrent Assets

Furniture, Machinery and Equipment	88,672
Less Accumulated Depreciation	<u>(64,857)</u>
 Total Capital Assets, Net	 <u>23,815</u>
 Total Assets	 <u>102,583</u>

LIABILITIES

Accounts Payable	<u>22,705</u>
 Total Liabilities	 <u>22,705</u>

NET POSITION

Investment in Capital Assets	23,815
Unrestricted	<u>56,063</u>
 Total Net Position	 <u>\$ 79,878</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 REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

OPERATING REVENUES

Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 192,402
Non-Reimbursable Programs	100,290
Special Functions	<u>940</u>
 Total Operating Revenues	 <u>293,632</u>

OPERATING EXPENSES

Cost of Sales	
Reimbursable Programs	140,695
Non-Reimbursable Programs	35,264
Salaries and Benefits	169,912
Management Fee	23,610
Other Purchased Services	13,110
Supplies and Materials	13,548
Miscellaneous Expenses	11,919
Depreciation	<u>4,487</u>
 Total Operating Expenses	 <u>412,545</u>

Operating Income/(Loss)	<u>(118,913)</u>
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NONOPERATING REVENUES

State Sources	
School Lunch Program	3,770
Federal Sources	
Food Distribution Program	33,120
National School Lunch Program	98,404
School Breakfast Program	<u>10,553</u>
 Total Nonoperating Revenues	 <u>145,847</u>

Change in Net Position	26,934
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Net Position, Beginning of Year	<u>52,944</u>
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Net Position, End of Year	<u><u>\$ 79,878</u></u>
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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 CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 293,632
Payments for Employees Salaries and Benefits	(169,912)
Payments to Suppliers for Goods and Services	<u>(257,996)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(134,276)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State and Federal Subsidy Reimbursements	<u>111,377</u>
Net Cash Provided by Noncapital Financing Activities	<u>111,377</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of Capital Assets	<u>(9,630)</u>
Net Cash Used By Capital and Related Financing Activities	<u>(9,630)</u>

Net Change in Cash and Cash Equivalents	(32,529)
Cash and Cash Equivalents, Beginning of Year	<u>102,170</u>
Cash and Cash Equivalents, End of Year	<u>\$ 69,641</u>

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

Operating Income/(Loss)	\$ (118,913)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities	
Non-Cash Federal Assistance- National School Lunch Program (Food Distribution)	33,120
Depreciation	4,487
Changes in Assets and Liabilities	
(Increase) Decrease in Inventories	(47)
Increase (Decrease) in Accounts Payable	<u>(52,923)</u>
Total Adjustments	<u>(15,363)</u>

Net Cash Provided/(Used) by Operating Activities	<u>\$ (134,276)</u>
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Non-Cash Financing Activities	
National School Lunch (Food Distribution)	\$ 33,120

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, 2017**

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 14,599	\$ 78,064	\$ 170,692
Due From Other Funds		-	1,462
	<u>14,599</u>	<u>78,064</u>	<u>\$ 172,154</u>
LIABILITIES			
Intergovernmental Payable		\$ 5,130	
Due To Student Groups			\$ 126,788
Payroll Deductions and Withholdings			11,829
Accrued Salaries and Wages			18,885
Reserve for Flexible Spending			14,652
	<u>-</u>	<u>5,130</u>	<u>\$ 172,154</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 14,599</u>	<u>\$ 72,934</u>	

**WOOD-RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Trust</u>
ADDITIONS		
Investment Earnings		
Interest	\$ 16	
Payroll Deductions		\$ 39,399
Donations	200	
	<u>216</u>	<u>39,399</u>
Total Additions	<u>216</u>	<u>39,399</u>
DEDUCTIONS		
Scholarships Awards	750	
Unemployment Claims and Contributions		47,418
	<u>750</u>	<u>47,418</u>
Total Deductions	<u>750</u>	<u>47,418</u>
Change in Net Position	(534)	(8,019)
Net Position, Beginning of Year	<u>15,133</u>	<u>80,953</u>
Net Position, End of Year	<u>\$ 14,599</u>	<u>\$ 72,934</u>

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, 2017**

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 Borough of Moonachie. The Board 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 2017, the District adopted the following GASB statements as required:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017**

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, 2017**

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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition, 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.

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 acquisition 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.

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.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)*

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District 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 future periods 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises 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.

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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 including the unamortized 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.

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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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.

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.)

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District 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.

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 Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

ARRA/SEMI – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2017 that will be appropriated in the adopted 2017/2018 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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 1st 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.

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 2015-2016 and 2016-2017 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.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ (3,730,000)
Issuance Premium (to be amortized over life of debt)	(186,038)
Capital Leases Payable	(59,585)
Compensated Absences	(213,225)
Net Pension Liability	<u>(6,631,124)</u>
 Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	 <u>\$ (10,819,972)</u>

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 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 required.

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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$297,005. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of 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.

B. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$7,611,825 in the Capital Projects Fund as of June 30, 2017. 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.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 1,608,973
Increased by:	
Transfers from Capital Projects Fund	<u>91,692</u>
	1,700,665
Withdrawals:	
Approved Transfers to Capital Projects Fund	<u>100,000</u>
Balance, June 30, 2017	<u>\$ 1,600,665</u>

The Board appropriated \$300,000 of the Capital Reserve balance in the 2017/18 school budget.

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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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, 2017 is as follows:

Balance, July 1, 2016	\$ 100,000
Withdrawals:	
Approved in District Budget	<u>100,000</u>
Balance, June 30, 2017	<u>\$ -</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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), National Credit Union Share Insurance Fund (NCUSIF), 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.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$3,273,543 and bank and brokerage firm balances of the Board's deposits amounted to \$3,930,416. 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>3,930,416</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, 2017 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, 2017, 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, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2017 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		\$ 22,720		\$ 6,653	\$ 29,373
State	\$ 26,535		\$ 1,667,989	234	1,694,758
Local	266,643	-	-	-	266,643
Gross Receivables	293,178	22,720	1,667,989	6,887	1,990,774
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 293,178</u>	<u>\$ 22,720</u>	<u>\$ 1,667,989</u>	<u>\$ 6,887</u>	<u>\$ 1,990,774</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	\$ 23,600
Special Revenue Fund	
Unencumbered Grant Draw Downs	13,239
Capital Projects fund	
Unrealized School Facilities Grants	<u>501,154</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 537,993</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2017</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 7,298,654	\$ 4,513,445	-	\$ (4,079,822)	\$ 7,732,277
Total Capital Assets, Not Being Depreciated	<u>7,298,654</u>	<u>4,513,445</u>	<u>-</u>	<u>(4,079,822)</u>	<u>7,732,277</u>
Capital Assets, Being Depreciated:					
Land Improvements	294,009				294,009
Buildings and Building Improvements	12,506,475			4,041,927	16,548,402
Machinery and equipment	<u>1,251,997</u>	<u>-</u>	<u>-</u>	<u>37,895</u>	<u>1,289,892</u>
Total Capital Assets Being Depreciated	<u>14,052,481</u>	<u>-</u>	<u>-</u>	<u>4,079,822</u>	<u>18,132,303</u>
Less Accumulated Depreciation for:					
Land Improvements	(172,180)	(9,220)			(181,400)
Buildings and Building Improvements	(4,471,702)	(466,139)			(4,937,841)
Machinery and Equipment	<u>(1,056,229)</u>	<u>(58,346)</u>	<u>-</u>	<u>-</u>	<u>(1,114,575)</u>
Total Accumulated Depreciation	<u>(5,700,111)</u>	<u>(533,705)</u>	<u>-</u>	<u>-</u>	<u>(6,233,816)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,352,370</u>	<u>(533,705)</u>	<u>-</u>	<u>-</u>	<u>11,898,487</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,651,024</u>	<u>\$ 3,979,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,630,764</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 79,042	\$ 9,630	-	\$ 88,672
Total Capital Assets Being Depreciated	<u>79,042</u>	<u>9,630</u>	<u>-</u>	<u>88,672</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(60,370)	(4,487)	-	(64,857)
Total Accumulated Depreciation	<u>(60,370)</u>	<u>(4,487)</u>	<u>-</u>	<u>(64,857)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,672</u>	<u>\$ 5,143</u>	<u>\$ -</u>	<u>\$ 23,815</u>

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

Governmental Activities:

Instruction	
Regular	\$ 45,875
Total Instruction	<u>45,875</u>
Support Services	
Student and Instruction Related Services	2,156
General Administrative Services	5,033
School Administrative Services	3,477
Plant Operations And Maintenance	477,164
Total Support Services	<u>487,830</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 533,705</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 4,487</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Window and Exterior Door Replacement at High School, Ostrovsky and Doyle Schools	\$ 2,443,552	\$ 98,135
HVAC Upgrades at High School	2,454,204	<u>1,016,649</u>
Total		<u>\$ 1,114,784</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 8,043
Payroll Agency Fund	General Fund	<u>1,462</u>
		<u>\$ 9,505</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.

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 100,000	\$ 100,000
Capital Projects Fund	\$ 91,692	-	<u>91,692</u>
	<u>\$ 91,692</u>	<u>\$ 100,000</u>	<u>\$ 191,692</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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$35,725. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2018	\$ 49,200
2019	49,200
2020	44,850
2021	23,100
2022	<u>13,475</u>
Total	<u>\$ 179,825</u>

Capital Leases

The District is leasing computer supplies totaling \$234,092 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, 2017 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Governmental Activities</u>
2018	<u>\$ 61,877</u>
Total minimum lease payments	61,877
Less: amount representing interest	<u>(2,292)</u>
Present value of minimum lease payments	<u>\$ 59,585</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2017 are comprised of the following issues:

\$4,450,000, 2013 Refunding Bonds, due in annual installments of \$360,000 to \$460,000 through July 15, 2025 interest at 3.0%	<u>\$ 3,730,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
<u>June 30,</u>			
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	415,000	59,925	474,925
2023-2026	<u>1,790,000</u>	<u>108,900</u>	<u>1,898,900</u>
	<u>\$ 3,730,000</u>	<u>\$ 526,950</u>	<u>\$ 4,256,950</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 46,444,984
Less: Bonds Issued and Bonds Authorized But Not Issued	<u>13,107,513</u>
Remaining Borrowing Power	<u>\$ 33,337,471</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 4,075,000		\$ 345,000	\$ 3,730,000	\$ 360,000
Add: Premium on Refunding	<u>221,360</u>	-	<u>35,322</u>	<u>186,038</u>	-
Bonds Payable, Net	4,296,360	-	380,322	3,916,038	360,000
Capital Leases	121,465		61,880	59,585	59,585
Compensated Absences	190,760	\$ 22,465		213,225	21,323
Net Pension Liability	<u>4,587,556</u>	<u>2,242,473</u>	<u>198,905</u>	<u>6,631,124</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 9,196,141</u>	<u>\$ 2,264,938</u>	<u>\$ 641,107</u>	<u>\$ 10,819,972</u>	<u>\$ 440,908</u>

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

I. Short-Term Debt

The Board's short-term activity for the fiscal year ended June 30, 2017 was as follows:

Bond Anticipation Notes/Grant Anticipation Notes/Loans Payable

The Board issues 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, 2017 was as follows:

<u>Purpose</u>	<u>Rate</u> <u>%</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance,</u> <u>June 30, 2017</u>
2016 Referendum - Various Improvements	2.00	11/2/2017	\$ 7,000,000	\$ 9,377,513	\$ 7,000,000	\$ 9,377,513
			<u>\$ 7,000,000</u>	<u>\$ 9,377,513</u>	<u>\$ 7,000,000</u>	<u>\$ 9,377,513</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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 (SAIF). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

SAIF 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 fund are on file with the School's Business Administrator.

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>Board Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017		\$ 39,399	\$ 47,418	\$ 72,934
2016		28,504	24,254	80,953
2015		30,113	34,221	76,703

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

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, 2017, 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, 2017 the District has not estimated its arbitrage earnings due to the IRS, if any.

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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 198,905	\$ 709,099	\$ 7,734
2016	175,698	522,647	7,270
2015	170,822	349,399	9,475

In addition for fiscal year 2016/2017 the District contributed \$1,094 for PERS and the State contributed \$2,411 for TPAF for Long Term Disability Insurance Premium (LTDI).

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

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 \$528,099 during the fiscal year ended June 30, 2017 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.

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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$6,631,124 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .02239 percent, which was an increase of .00195 percent from its proportionate share measured as of June 30, 2015 of .02044 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$734,274 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 123,319	
Changes of Assumptions	1,373,615	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	252,851	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>459,710</u>	<u>\$ 35,649</u>
Total	<u>\$ 2,209,495</u>	<u>\$ 35,649</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)

At June 30, 2017, the 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 June 30,	Total
2018	\$ 494,620
2019	494,620
2020	552,420
2021	464,802
2022	167,384
Thereafter	<u>-</u>
	<u>\$ 2,173,846</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.98%, 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 (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	1% Decrease (<u>2.98%</u>)	Current Discount Rate (<u>3.98%</u>)	1% Increase (<u>4.98%</u>)
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>8,125,668</u>	\$ <u>6,631,124</u>	\$ <u>5,397,248</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. 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.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,858,415 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$51,352,360. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .06528 percent, which was an increase of .00065 percent from its proportionate share measured as of June 30, 2015 of .06463 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 61,326,194</u>	<u>\$ 51,352,360</u>	<u>\$ 43,207,438</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. 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, 2017**

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, 2016, there were 110,512 , retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$590,841, \$622,328 and \$554,672, 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.

F. Subsequent Events

On September 19, 2017, the District sold School Bonds in the amount of \$9,377,000 to permanently finance various improvements to the Wood-Ridge Public Schools that was approved by the voters on September 30, 2014. These bonds were purchased by Roosevelt & Cross, Inc. at interest rates of 2.00% to 3.00%, maturing September 15, 2019 through September 15, 2037.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

G. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Wood-Ridge Board of Education, the District's share of abated taxes resulting from the municipality/county having entered into a tax abatement agreement is indeterminate.

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, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 16,304,930		\$ 16,304,930	\$ 16,304,930	
Tuition From Individuals	433,200		433,200	418,039	\$ (15,161)
Tuition - From Other LEA's Within the State	1,507,826		1,507,826	1,339,602	(168,224)
Interest Earned on Capital Reserve Funds	100		100		(100)
Unrestricted Miscellaneous Revenues	40,000	-	40,000	199,530	159,530
Total Local Sources	<u>18,286,056</u>	<u>-</u>	<u>18,286,056</u>	<u>18,262,101</u>	<u>(23,955)</u>
State Sources					
Special Education Aid	662,355		662,355	662,355	
Security Aid	22,479		22,479	22,479	
Transportation Aid	36,887		36,887	36,887	
PARCC Readiness Aid	10,940		10,940	10,940	
Per Pupil Growth Aid	10,940		10,940	10,940	
Professional Learning Community Aid	10,980		10,980	10,980	
Equalization Aid	40,733		40,733	40,733	
Extraordinary Aid	200,000		200,000	265,763	65,763
On Behalf TPAF (Non Budgeted)					
Pension Contribution				684,305	684,305
NCGI Premium				24,794	24,794
LTDI				2,411	2,411
Post Retirement Medical Contributions				590,841	590,841
Social Security Contributions	-	-	-	528,099	528,099
Total State Sources	<u>995,314</u>	<u>-</u>	<u>995,314</u>	<u>2,891,527</u>	<u>1,896,213</u>
Federal Sources					
ARRA - Medical Assistance Program (SEMI)				1,291	1,291
Medicaid Assistance Program (SEMI)	16,835	-	16,835	-	(16,835)
Total Federal Sources	<u>16,835</u>	<u>-</u>	<u>16,835</u>	<u>1,291</u>	<u>(15,544)</u>
Total Revenues	<u>19,298,205</u>	<u>-</u>	<u>19,298,205</u>	<u>21,154,919</u>	<u>1,856,714</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	199,210	\$ 16,335	215,545	215,545	
Kindergarten	249,880	44,370	294,250	294,250	
Grades 1-5	1,620,745	(195,745)	1,425,000	1,425,000	
Grades 6-8	933,875	64,443	998,318	998,318	
Grades 9-12	2,050,057	(117,944)	1,932,113	1,932,031	82
Regular Programs - Home Instruction					
Salaries of Teachers	10,000	(8,750)	1,250	1,156	94
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	99,600	47,814	147,414	147,414	
Purchased Professional/Educational Services	7,000	(1,000)	6,000	6,000	
Purchased Technical Services	1,250	-	1,250	780	470
Other Purchased Services	35,364	4,363	39,727	39,727	
General Supplies	311,936	(18,936)	293,000	281,523	11,477
Textbooks	63,786	(6,451)	57,335	55,107	2,228
Other Objects	2,050	243	2,293	1,138	1,155
Total Regular Programs	<u>5,584,753</u>	<u>(171,258)</u>	<u>5,413,495</u>	<u>5,397,989</u>	<u>15,506</u>
Resource Room/Resource Center					
Salaries of Teachers	1,012,510	19,062	1,031,572	1,031,572	
Other Salaries for Instruction	88,000	(24,343)	63,657	63,657	
General Supplies	6,675	(626)	6,049	5,259	790
Textbooks	200	-	200	106	94
Total Resource Room/Resource Center	<u>1,107,385</u>	<u>(5,907)</u>	<u>1,101,478</u>	<u>1,100,594</u>	<u>884</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	60,965	(5,000)	55,965	55,965	
Other Salaries for Instruction	45,100	(14,138)	30,962	30,962	
Total Preschool Disabilities - Part-Time	<u>106,065</u>	<u>(19,138)</u>	<u>86,927</u>	<u>86,927</u>	<u>-</u>
Home Instruction					
Salaries of Teachers	44,560	(12,926)	31,634	20,464	11,170
Total Home Instruction	<u>44,560</u>	<u>(12,926)</u>	<u>31,634</u>	<u>20,464</u>	<u>11,170</u>
Total Special Education	<u>1,258,010</u>	<u>(37,971)</u>	<u>1,220,039</u>	<u>1,207,985</u>	<u>12,054</u>

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 62,965		\$ 62,965	\$ 62,965	
General Supplies	600	26	626	143	483
Total Basic Skills/Remedial	63,565	26	63,591	63,108	483
Bilingual Education					
Salaries of Teachers	102,900	-	102,900	102,900	
Purchased Professional-Educational Services	700	-	700		700
General Supplies	450	-	450	61	389
Total Bilingual Education	104,050	-	104,050	102,961	1,089
School Sponsored Co/Extra Curricular Activities					
Salaries	80,305	13,876	94,181	90,124	4,057
Supplies and Materials	7,270	(6,374)	896		896
Other Objects	1,300	1,150	2,450	2,438	12
Total School Sponsored Co/Extra Curricular Activities	88,875	8,652	97,527	92,562	4,965
School Sponsored Athletics					
Salaries	224,816	32,367	257,183	255,674	1,509
Purchased Services	51,028	(29,507)	21,521	16,893	4,628
Supplies and Materials	47,936	(2,265)	45,671	37,403	8,268
Other Objects	18,970	5,036	24,006	18,768	5,238
Total School Sponsored Athletics	342,750	5,631	348,381	328,738	19,643
Before/After School Programs - Instruction					
Salaries of Teacher Tutors	96,700	1,778	98,478	98,478	
Supplies and Materials	10,000	(4,538)	5,462	5,462	
Other Objects	-	4,836	4,836	4,836	-
Total Before/After School Programs - Instruction	106,700	2,076	108,776	108,776	-
Summer School - Support Services					
Salaries		5,315	5,315	5,315	
Salaries of Teacher Tutors	-	3,645	3,645	3,645	-
Total Summer School - Support Services	-	8,960	8,960	8,960	-
Total Instruction	7,548,703	(183,884)	7,364,819	7,311,079	53,740
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/ State - Special	780,791	315,085	1,095,876	1,091,616	4,260
Tuition to County Voc. School District-Regular	374,220	(80,190)	294,030	288,644	5,386
Tuition to County Voc. School District-Special	522,216	144	522,360	510,536	11,824
Tuition to CSSD and Regional Day Schools	603,480	(79,267)	524,213	524,213	
Tuition to Priv. Sch. for the Disabled - w/ state	881,389	(54,176)	827,213	827,213	
Tuition - Other	-	11,721	11,721	11,721	-
Total Undistributed Expenditures - Instruction	3,162,096	113,317	3,275,413	3,253,943	21,470
Attendance and Social Work					
Other Purchased Services		550	550	550	
Supplies and Materials	4,500	-	4,500	4,500	-
Total Attendance and Social Work	4,500	550	5,050	5,050	-
Health Services					
Salaries	184,760	(260)	184,500	183,706	794
Purchased Professional and Technical Services	19,000	260	19,260	13,250	6,010
Other Purchased Services	150	-	150	150	
Supplies and Materials	5,500	700	6,200	4,121	2,079
Total Health Services	209,410	700	210,110	201,077	9,033
Speech, OT, PT & Related Services					
Salaries	116,495	24,912	141,407	141,275	132
Purchased Professional-Educational Services	507,420	61,218	568,638	513,644	54,994
Supplies and Materials	1,700	(256)	1,444	1,252	192
Total Speech, OT, PT & Related Services	625,615	85,874	711,489	656,171	55,318

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	\$ 74,700	\$ 78,594	\$ 153,294	\$ 153,294	
Purchased Professional/Educational Services	-	20,287	20,287	17,074	\$ 3,213
Total Other Supp.Serv. Student - Extra Services	74,700	98,881	173,581	170,368	3,213
Guidance					
Salaries of Other Professional Staff	232,130	3,560	235,690	231,944	3,746
Salaries of Secretarial & Clerical Assistants	49,020	2,500	51,520	51,520	
Purchased Professional/Educational Services	10,100	(3,050)	7,050	6,368	682
Other Purchased Services		1,002	1,002	577	425
Supplies and Materials	9,095	(1,998)	7,097	7,097	
Other Objects	100	(21)	79	-	79
Total Guidance	300,445	1,993	302,438	297,506	4,932
Child Study Teams					
Salaries of Secretarial & Clerical Assistants	49,020	-	49,020	49,020	
Purchased Professional- Educational Services	460,775	7,167	467,942	459,131	8,811
Residential Costs	33,600	(33,600)			
Miscellaneous Purchased Services	3,978	(1,326)	2,652	2,321	331
Supplies and Materials	8,800	(2,502)	6,298	5,613	685
Total Child Study Teams	556,173	(30,261)	525,912	516,085	9,827
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	83,844	412	84,256	84,255	1
Salaries of Other Professional Staff	22,500	500	23,000	16,600	6,400
Supplies and Materials	3,000	(412)	2,588		2,588
Other Objects	500	-	500	-	500
Total Other Support Services - Improvement of Inst. Svcs.	109,844	500	110,344	100,855	9,489
Educational Media/School Library					
Salaries	155,780	(1,497)	154,283	151,673	2,610
Other Purchased Services	7,533	(135)	7,398	7,246	152
Supplies and Materials	17,542	9,237	26,779	26,098	681
Total Educational Media/School Library	180,855	7,605	188,460	185,017	3,443
Instructional Staff Training Services					
Purchased Professional/Educational Services	21,500	(3,457)	18,043	12,220	5,823
Other Purchased Services	1,500	600	2,100	704	1,396
Total Instructional Staff Training Services	23,000	(2,857)	20,143	12,924	7,219
Support Services General Administration					
Salaries	340,776	6,403	347,179	325,054	22,125
Legal Services	50,000	4,595	54,595	39,245	15,350
Audit Fees	30,000	(1,151)	28,849	28,849	
Other Purchased Professional Service	5,950	(1,625)	4,325	4,325	
Communications/Telephone	76,936	21,696	98,632	98,632	
Miscellaneous Purchased Services	53,690	(11,502)	42,188	42,188	
BOE Other Purchased Services	3,500	(1,170)	2,330	2,330	
General Supplies	7,560	(1,122)	6,378	6,378	
Miscellaneous Expenditures	4,000	7,175	11,175	11,175	
BOE Membership Dues and Fees	7,200	-	7,200	7,187	13
Total Support Services General Administration	579,552	23,299	602,851	565,363	37,488
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	464,746	(13,054)	451,692	451,691	1
Salaries of Other Professional Staff		69,665	69,665	69,665	
Salaries of Secretarial and Clerical Assistants	235,020	(4,130)	230,890	230,522	368
Other Purchased Services	16,801	(1,680)	15,121	13,584	1,537
Supplies and Materials	39,750	(2,418)	37,332	31,097	6,235
Other Objects	5,000	(945)	4,055	3,112	943
Total Support Services School Administration	761,317	47,438	808,755	799,671	9,084

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 237,425	\$ 4,202	\$ 241,627	\$ 241,627	
Purchased Professional Services	53,500	(5,733)	47,767	47,767	
Purchased Technical Services		400	400	400	
Misc. Purchased Services	6,700	(1,695)	5,005	4,776	\$ 229
Supplies and Materials	6,000	-	6,000	5,264	736
Interest on Bond Anticipation Notes (BANs)		69,806	69,806	69,806	
Miscellaneous Expenditures	1,500	-	1,500	1,240	260
Total Central Services	305,125	66,980	372,105	370,880	1,225
Admin. Info. Technology					
Salaries	111,009	12,000	123,009	122,842	167
Purchased Technical Services	9,300	642	9,942	642	9,300
Supplies and Materials	29,500	-	29,500	18,932	10,568
Other Objects	500	-	500	-	500
Total Admin. Info. Technology	150,309	12,642	162,951	142,416	20,535
Required Maintenance for School Facilities					
Salaries	194,642	(20,040)	174,602	166,990	7,612
Cleaning, Repair and Maintenance	141,200	6,110	147,310	142,540	4,770
General Supplies	12,279	(2,472)	9,807	9,807	
Other Objects	1,500	(52)	1,448	1,448	-
Total Required Maintenance for School Facilities	349,621	(16,454)	333,167	320,785	12,382
Custodial Services					
Salaries	637,585	39,327	676,912	667,912	9,000
Salaries of Non-Instructional Aides	15,000	6,144	21,144	21,144	
Cleaning, Repair and Maintenance	12,000	(9,348)	2,652	2,652	
Other Purchased Property Services	17,500	1,191	18,691	18,691	
Insurance	90,000	(1,359)	88,641	88,641	
Rental of Land & Bldg Other Than Lease Purchase Agreement	2	-	2		2
Miscellaneous Purchased Services		272	272	272	
General Supplies	109,000	2,320	111,320	102,905	8,415
Energy (Natural Gas)	90,000	(26,747)	63,253	59,704	3,549
Energy (Electricity)	163,000	18,114	181,114	170,113	11,001
Other Objects	-	160	160	156	4
Total Custodial Services	1,134,087	30,074	1,164,161	1,132,190	31,971
Care & Upkeep of Grounds					
Salaries	23,000	(1,917)	21,083	21,083	
Cleaning, Repair and Maintenance	1,000	(1,000)			
General Supplies	1,000	(1,000)			
Total Care & Upkeep of Grounds	25,000	(3,917)	21,083	21,083	-
Security					
Purchased Professional and Technical Services	15,000	(2,643)	12,357	12,357	
General Supplies	9,240	4,888	14,128	4,619	9,509
Total Security	24,240	2,245	26,485	16,976	9,509
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	35,000	5,350	40,350	39,425	925
Management Fee - ESC & CTSA Transportation Program	12,000	(4,383)	7,617	7,617	
Cleaning, Repair and Maintenance Services	3,000	1,458	4,458	4,458	
Contracted Services (Between Home and School) - Joint Agreements	63,000	(7,548)	55,452	55,452	
Contracted Services (Other Than Between Home and School) - Vendors	30,000	(1,807)	28,193	28,193	
Contracted Services (Special Ed. Students) - Joint Agreements	40,000	(3,840)	36,160	36,160	
Contracted Services - (Special Ed. Students) - ESCs and CTSA	437,000	142,272	579,272	579,272	
Contracted Services-Aid In Lieu of Payments- Charter Schools	5,304	(3,536)	1,768	1,768	
Miscellaneous Purchased Services -Transportation	3,000	(1,190)	1,810	1,810	
Other Objects	250	(250)			
Total Student Transportation Services	628,554	126,526	755,080	754,155	925

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 233,000	\$ (6,500)	\$ 226,500	\$ 215,907	\$ 10,593
Other Retirement Contributions - PERS	214,000	-	214,000	206,376	7,624
Unemployment Compensation	5,000	-	5,000	387	4,613
Workmen's Compensation	94,000	-	94,000	84,436	9,564
Health Benefits	2,410,000	(194,310)	2,215,690	2,208,316	7,374
Tuition Reimbursement	30,000	6,487	36,487	22,500	13,987
Unused Sick Payment to Terminated/Retired Staff	10,000	(4,419)	5,581	2,000	3,581
Total Unallocated Benefits	2,996,000	(198,742)	2,797,258	2,739,922	57,336
On Behalf TPAF (Non Budgeted)					
Pension Contribution				684,305	(684,305)
NCGI Premium				24,794	(24,794)
LTDI				2,411	(2,411)
Post Retirement Medical Contributions				590,841	(590,841)
Social Security Contributions	-	-	-	528,099	(528,099)
Total On-Behalf TPAF	-	-	-	1,830,450	(1,830,450)
Total Undistributed Expenditures	12,200,443	366,393	12,566,836	14,092,887	(1,526,051)
Total Current Expenditures	19,749,146	182,509	19,931,655	21,403,966	(1,472,311)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	29,575	-	29,575	29,575	-
Total Facilities Acquisition and Construction Services	29,575	-	29,575	29,575	-
Total Capital Outlay	29,575	-	29,575	29,575	-
Transfer of Funds to Charter Schools	40,583	-	40,583	40,583	-
Total General Fund Expenditures	19,819,304	182,509	20,001,813	21,474,124	(1,472,311)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(521,099)	(182,509)	(703,608)	(319,205)	384,403
Other Financing Sources (Uses)					
Transfers In				91,692	91,692
Capital Reserve - Transfer to Capital Projects	(500,000)	-	(500,000)	(100,000)	400,000
Total Other Financing Sources	(500,000)	-	(500,000)	(8,308)	491,692
Excess /(Deficiency) of Revenues & Other Financing					
Sources Over/(Under) Expenditures and Other Financing	(1,021,099)	(182,509)	(1,203,608)	(327,513)	876,095
Uses					
Fund Balance, Beginning of Year	2,700,101	-	2,700,101	2,700,101	-
Fund Balance, End of Year	\$ 1,679,002	\$ (182,509)	\$ 1,496,493	\$ 2,372,588	\$ 876,095
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,300,665	
Capital Reserve - Designated for Subsequent Year's Budget				300,000	
Assigned					
Encumbrances				110,881	
SEMI/ARRA				1,291	
Designated for Subsequent Year's Budget				254,594	
Unassigned				405,157	
Fund Balance - Budgetary Basis				2,372,588	
Reconciliation to Governmental Fund Statements (GAAP)					
2016/17 State Aid Payments Not Recognized on a GAAP Basis				(297,952)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,074,636	

**WOOD-RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-2

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Federal Sources	\$ 330,263	\$ 68,425	\$ 398,688	\$ 384,141	\$ (14,547)
Local Sources	4,000	46,071	50,071	16,709	(33,362)
Total Revenues	<u>334,263</u>	<u>114,496</u>	<u>448,759</u>	<u>400,850</u>	<u>(47,909)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	28,462	18,663	47,125	40,854	6,271
Other Purchased Services	235,201	27,966	263,167	263,166	1
General Supplies	28,685	59,697	88,382	72,952	15,430
Other Objects	-	100	100	100	-
Total Instruction	<u>292,348</u>	<u>106,426</u>	<u>398,774</u>	<u>377,072</u>	<u>21,702</u>
Support Services					
Personnel Services - Employee Benefits	3,415	(185)	3,230	2,750	480
Purchased Professional Educational Services		10,200	10,200	10,165	35
Other Purchased Services	37,500	(21,642)	15,858	9,052	6,806
Supplies and Materials	1,000	1,647	2,647	1,811	836
Total Support Services	<u>41,915</u>	<u>(9,980)</u>	<u>31,935</u>	<u>23,778</u>	<u>8,157</u>
Facilities Acquisition and Construction					
Non-Instructional Equipment		18,050	18,050		18,050
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>18,050</u>	<u>18,050</u>	<u>-</u>	<u>18,050</u>
Total Expenditures	<u>334,263</u>	<u>114,496</u>	<u>448,759</u>	<u>400,850</u>	<u>47,909</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, 2017**

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

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.

		General Fund		Special Revenue Fund
Sources/Inflows of Resources				
Actual Revenues (budgetary basis)	(C-1) \$	21,154,919	(C-2) \$	400,850
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, 2016, Net				7,401
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2015/2016)		258,866		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2016/2017)		<u>(297,952)</u>		<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$	<u>21,115,833</u>		<u>\$ 408,251</u>
Uses/Outflows of Resources				
Actual Expenditures (budgetary basis)	(C-1) \$	21,474,124	(C-2) \$	400,850
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, 2016, Net		<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>21,474,124</u>	(B-2) \$	<u>408,251</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 Four Fiscal Years*
(Dollar amounts in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02239%	0.02044%	0.02072%	0.01934%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,631,124	\$ 4,587,556	\$ 3,879,562	\$ 3,695,473
District's Covered-Employee Payroll	\$ 1,613,426	\$ 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	411.00%	302.83%	277.45%	269.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years
(Dollar amounts in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 198,905	\$ 175,698	\$ 170,822	\$ 145,692
Contributions in Relation to the Contractually Required Contribution	<u>198,905</u>	<u>175,698</u>	<u>170,822</u>	<u>145,692</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,613,426	\$ 1,514,880	\$ 1,398,296	\$ 1,372,127
Contributions as a Percentage of Covered-Employee Payroll	12.33%	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 Four Fiscal Years*
(Dollar amounts in thousands)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 51,352,360	\$ 40,847,232	\$ 34,876,694	\$33,460,241
District's Covered-Employee Payroll	\$ 6,982,049	\$ 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	735.49%	627.76%	535.28%	530.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017**

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, 2017**

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REVENUES	IDEA Part B- Basic	IDEA Pre- School	Title IA	Title IIA	Title III	Other Local Projects	Total
Intergovernmental							
Federal	\$ 251,717	\$ 11,449	\$ 105,472	\$ 13,043	\$ 2,460		384,141
Local	-	-	-	-	-	\$ 16,709	16,709
Total Revenues	<u>\$ 251,717</u>	<u>\$ 11,449</u>	<u>\$ 105,472</u>	<u>\$ 13,043</u>	<u>\$ 2,460</u>	<u>\$ 16,709</u>	<u>\$ 400,850</u>
EXPENDITURES							
Instruction							
Salaries of Teachers			\$ 35,954			\$ 4,900	\$ 40,854
Other Purchased Services	\$ 251,717	\$ 11,449					263,166
General Supplies			60,803		\$ 2,251	9,898	72,952
Other Objects	-	-	-	-	-	100	100
Total Instruction	<u>251,717</u>	<u>11,449</u>	<u>96,757</u>	<u>-</u>	<u>2,251</u>	<u>14,898</u>	<u>377,072</u>
Support Services							
Personnel Services - Employee Benefits			2,750				2,750
Purchased Professional Educational Services			5,965	\$ 4,200			10,165
Other Purchased Services				8,843	209		9,052
Supplies and Materials	-	-	-	-	-	1,811	1,811
Total Support Services	<u>-</u>	<u>-</u>	<u>8,715</u>	<u>13,043</u>	<u>209</u>	<u>1,811</u>	<u>23,778</u>
Total Expenditures	<u>\$ 251,717</u>	<u>\$ 11,449</u>	<u>\$ 105,472</u>	<u>\$ 13,043</u>	<u>\$ 2,460</u>	<u>\$ 16,709</u>	<u>\$ 400,850</u>

**WOOD-RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Year	Project	Appropriation	Appropriation Modifications	Modified Appropriation	Expenditures to Date		Transfer to General Fund	Cancelled	Balance, June 30, 2017
					Prior Year	Current Year			
2014	High School Roof Replacement	\$ 948,900		\$ 948,900	\$ 883,398		\$ 29,200	\$ 36,302	
2015	High School Gym Improvements		\$ 500,000	500,000	421,623	\$ 15,885	62,492		
2017	High School Cafeteria Improvements		118,050	118,050		92,907			\$ 25,143
<u>2014 Referendum</u>									
2015	Ostrovsky Middle School Gymnasium HVAC	678,000		678,000	440,532	75,692		69,948	91,828
2015	Ostrovsky Middle School Window Replacement	759,200		759,200	527,758	161,140		21,867	48,435
2015	Ostrovsky Middle School HVAC	1,690,500		1,690,500	122,183	1,049,280		184,796	334,241
2015	Doyle HVAC	2,550,100		2,550,100	2,384,139	123,291		296,005	(253,335)
2015	Doyle Window Replacement	584,700		584,700	464,254	33,593		40,589	46,264
2015	High School Window Replacement	1,109,700		1,109,700	978,173	187,905		4,483	(60,861)
2015	High School Facility Improvements (Science Labs, Exterior Doors and Security Door Access)	1,314,613		1,314,613	324,346	1,127,394			(137,127)
2015	High School HVAC	3,733,800		3,733,800	243,795	1,618,127		404,665	1,467,213
2015	Doyle Facility Improvements (Boiler, Exterior Doors, Security Door Access and Roof)	1,037,650		1,037,650	338,165	9,142			690,343
2015	Ostrovsky Facility Improvements (Gymnasium Divider, Exterior Doors, Security Door Access and Roof)	361,650	-	361,650	327,863	19,089	-	-	14,698
		<u>\$ 14,768,813</u>	<u>\$ 618,050</u>	<u>\$ 15,386,863</u>	<u>\$ 7,456,229</u>	<u>\$ 4,513,445</u>	<u>\$ 91,692</u>	<u>\$ 1,058,655</u>	<u>\$ 2,266,842</u>

Reconciliation to GAAP Basis:

Fund Balance, June 30, 2017 - Budgetary Basis	\$ 2,266,842
Less:	
Unearned Revenue - SDA Grants	(501,154)
Bonds Authorized But Not Issued - 2014 Referendum	(9,377,513)
Fund Balance, June 30, 2017 - GAAP Basis	<u>\$ (7,611,825)</u>

Analysis of Balance

Year End Encumbrances	\$ 1,167,562
Available for Capital Projects	<u>1,099,280</u>
	<u>\$ 2,266,842</u>

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues and Other Financing Sources

Local Contributions	\$ 18,050
Transfer from Capital Reserve	<u>100,000</u>
Total Revenues and Other Financing Sources	<u>118,050</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	233,138
Construction Services	4,189,208
Supplies and Materials	45,707
Other Objects	45,392
Cancelled SDA Grant - Budgetary Basis	1,058,655
Transfers to Capital Reserve - General Fund	<u>91,692</u>
Total Expenditures and Other Financing Uses	<u>5,663,792</u>

Excess (Deficit) of Revenues Over (Under) Expenditures (5,545,742)

Fund Balance, July 1, 2016 (1,564,929)

Fund Balance, June 30, 2017 \$ (7,110,671)

Reconciliation to GAAP Basis:

Fund Balance, June 30, 2017 - Budgetary Basis \$ (7,110,671)

Less: Unearned Revenue - SDA Grants (501,154)

Fund Balance, June 30, 2017 - GAAP Basis \$ (7,611,825)

**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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 379,560	\$ (36,302)	\$ 343,258	\$ 379,560
Transfer from Capital Reserve	569,340	-	569,340	569,340
	<u>948,900</u>	<u>(36,302)</u>	<u>912,598</u>	<u>948,900</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	92,233		92,233	76,900
Construction Services	789,250		789,250	868,000
Other Objects	1,915		1,915	4,000
Transfer to Capital Reserve - General Fund	-	29,200	29,200	-
	<u>883,398</u>	<u>29,200</u>	<u>912,598</u>	<u>948,900</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 65,502</u>	<u>\$ (65,502)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-1002			
Grant Date	May 7, 2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 948,900			
Revised Authorized Cost	\$ 948,900			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	96.17%			
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 500,000	-	\$ 500,000	\$ 500,000
Total Revenues and Other Financing Sources	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services	421,623	\$ 15,885	437,508	500,000
Other Objects				
Transfer to Capital Reserve - General Fund	-	62,492	62,492	-
Total Expenditures and Other Financing Uses	<u>421,623</u>	<u>78,377</u>	<u>500,000</u>	<u>500,000</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 78,377</u>	<u>\$ (78,377)</u>	<u>\$ -</u>	<u>\$ -</u>
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			
Revised Authorized Cost	\$ 500,000			
Percentage Increase Over Original				
Authorized Cost		0.00%		
Percentage Completion		100.00%		
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
HIGH SCHOOL CAFETERIA IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Contributions		\$ 18,050	\$ 18,050	\$ 18,050
Transfer from Capital Reserve	-	100,000	100,000	100,000
Total Revenues and Other Financing Sources	-	118,050	118,050	118,050
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	10,000
Construction Services	-	92,907	92,907	108,050
Total Expenditures and Other Financing Uses	-	92,907	92,907	118,050
Excess (Deficit) of Revenue Over Expenditures	\$ -	\$ 25,143	\$ 25,143	\$ -

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	\$ 118,050
Revised Authorized Cost	\$ 118,050
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	78.70%
Original Target Completion Date	December 2017
Revised Target Completion Date	December 2017

**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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 4,442,400	\$ (1,022,353)	\$ 3,420,047	\$ 4,442,400
Capital Reserve	1,500,000		1,500,000	-
Bond Proceeds	-	-	-	9,377,513
	<u>5,942,400</u>	<u>(1,022,353)</u>	<u>4,920,047</u>	<u>13,819,913</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,034,575	\$ 233,138	1,267,713	1,508,613
Construction Services	5,102,339	4,080,416	9,182,755	12,275,300
Equipment		-	-	-
Supplies and Materials		45,707	45,707	
Other Objects	14,294	45,392	59,686	36,000
Transfer to Capital Reserve - General Fund	1,500,000	-	1,500,000	-
	<u>7,651,208</u>	<u>4,404,653</u>	<u>12,055,861</u>	<u>13,819,913</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (1,708,808)</u>	<u>\$ (5,427,006)</u>	<u>\$ (7,135,814)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	See Exhibits F-2e to F-2n
Grant Date	See Exhibits F-2e to F-2n
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 9,377,513
Bonds Issued	\$ -
Original Authorized Cost	\$ 13,819,913
Revised Authorized Cost	\$ 13,819,913
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	87.24%
Original Target Completion Date	June 2017
Revised Target Completion Date	December 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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 271,200	\$ (69,948)	\$ 201,252	\$ 271,200
Capital Reserve	65,071		65,071	
Bond Proceeds	-	-	-	406,800
	<u>336,271</u>	<u>(69,948)</u>	<u>266,323</u>	<u>678,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	50,260	\$ 542	50,802	70,000
Construction Services	390,130	73,503	463,633	605,000
Other Objects	142	1,647	1,789	3,000
Transfer to Capital Reserve - General Fund	65,071	-	65,071	-
	<u>505,603</u>	<u>75,692</u>	<u>581,295</u>	<u>678,000</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (169,332)</u>	<u>\$ (145,640)</u>	<u>\$ (314,972)</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	76.14%
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 303,680	\$ (21,867)	\$ 281,813	\$ 303,680
Capital Reserve	72,864		72,864	-
Bond Proceeds	-	-	-	455,520
	<u>376,544</u>	<u>(21,867)</u>	<u>354,677</u>	<u>759,200</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	61,620	\$ 7,042	68,662	72,000
Construction Services	465,979	153,900	619,879	684,200
Other Objects	159	198	357	3,000
Transfer to Capital Reserve - General Fund	72,864	-	72,864	-
	<u>600,622</u>	<u>161,140</u>	<u>761,762</u>	<u>759,200</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (224,078)</u>	<u>\$ (183,007)</u>	<u>\$ (407,085)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-1010
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 455,520
Bonds Issued	
Original Authorized Cost	\$ 759,200
Revised Authorized Cost	\$ 759,200
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	90.74%
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 676,200	\$ (184,796)	\$ 491,404	\$ 676,200
Capital Reserve	162,244		162,244	
Bond Proceeds	-	-	-	1,014,300
	<u>838,444</u>	<u>(184,796)</u>	<u>653,648</u>	<u>1,690,500</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	113,588	\$ 52,908	166,496	175,000
Construction Services	8,240	995,744	1,003,984	1,512,500
Other Objects	355	628	983	3,000
Transfer to Capital Reserve - General Fund	162,244	-	162,244	-
	<u>284,427</u>	<u>1,049,280</u>	<u>1,333,707</u>	<u>1,690,500</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 554,017</u>	<u>\$ (1,234,076)</u>	<u>\$ (680,059)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-1008
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 1,014,300
Bonds Issued	
Original Authorized Cost	\$ 1,690,500
Revised Authorized Cost	\$ 1,690,500
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	69.30%
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,020,040	\$ (296,005)	\$ 724,035	\$ 1,020,040
Capital Reserve	244,744		244,744	
Bond Proceeds	-	-	-	1,530,060
	<u>1,264,784</u>	<u>(296,005)</u>	<u>968,779</u>	<u>2,550,100</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	212,116	\$ 6,784	218,900	258,000
Construction Services	2,167,956	115,843	2,283,799	2,289,100
Other Objects	4,067	664	4,731	3,000
Transfer to Capital Reserve - General Fund	244,744	-	244,744	-
	<u>2,628,883</u>	<u>123,291</u>	<u>2,752,174</u>	<u>2,550,100</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (1,364,099)</u>	<u>\$ (419,296)</u>	<u>\$ (1,783,395)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-060-14-1007
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 1,530,060
Bonds Issued	
Original Authorized Cost	\$ 2,550,100
Revised Authorized Cost	\$ 2,550,100
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	98.33%
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 233,880	\$ (40,589)	\$ 193,291	\$ 233,880
Capital Reserve	56,116		56,116	
Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,820</u>
 Total Revenues and Other Financing Sources	 <u>289,996</u>	 <u>(40,589)</u>	 <u>249,407</u>	 <u>584,700</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	48,744	\$ 5,430	54,174	57,000
Construction Services	412,690	21,410	434,100	524,700
Other Objects	2,820	6,753	9,573	3,000
Transfer to Capital Reserve - General Fund	<u>56,116</u>	<u>-</u>	<u>56,116</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>520,370</u>	 <u>33,593</u>	 <u>553,963</u>	 <u>584,700</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ (230,374)</u>	 <u>\$ (74,182)</u>	 <u>\$ (304,556)</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	85.15%
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 WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 443,880	\$ (4,483)	\$ 439,397	\$ 443,880
Capital Reserve	106,503		106,503	
Bond Proceeds	-	-	-	665,820
	<u>550,383</u>	<u>(4,483)</u>	<u>545,900</u>	<u>1,109,700</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	88,240	\$ 19,143	107,383	103,500
Construction Services	889,700	168,473	1,058,173	1,003,200
Other Objects	233	289	522	3,000
Transfer to Capital Reserve - General Fund	106,503	-	106,503	-
	<u>1,084,676</u>	<u>187,905</u>	<u>1,272,581</u>	<u>1,109,700</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (534,293)</u>	<u>\$ (192,388)</u>	<u>\$ (726,681)</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-1004			
Grant Date	January 6, 2014			
Bond Authorization Date	September 30, 2014			
Bonds Authorized	\$ 665,820			
Bonds Issued				
Original Authorized Cost	\$ 1,109,700			
Revised Authorized Cost	\$ 1,109,700			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	105.08%			
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	103,952	\$ 31,634	135,586	210,113
Construction Services	214,953	1,018,168	1,233,121	1,099,500
Supplies and Materials		45,707	45,707	
Other Objects	5,441	31,885	37,326	5,000
Transfer to Capital Reserve - General Fund	210,282	-	210,282	-
	<u>534,628</u>	<u>1,127,394</u>	<u>1,662,022</u>	<u>1,314,613</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (324,346)</u>	<u>\$ (1,127,394)</u>	<u>\$ (1,451,740)</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-2000			
Grant Date	August 29, 2014			
Bond Authorization Date	September 30, 2014			
Bonds Authorized	\$ 1,314,613			
Bonds Issued				
Original Authorized Cost	\$ 1,314,613			
Revised Authorized Cost	\$ 1,314,613			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	106.95%			
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant (40%)	\$ 1,493,520	\$ (404,665)	\$ 1,088,855	\$ 1,493,520
Capital Reserve	358,349		358,349	
Bond Proceeds	-	-	-	2,240,280
	<u>1,851,869</u>	<u>(404,665)</u>	<u>1,447,204</u>	<u>3,733,800</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	243,012	\$ 108,753	351,765	398,000
Construction Services		1,506,431	1,506,431	3,332,800
Other Objects	783	2,943	3,726	3,000
Transfer to Capital Reserve - General Fund	358,349	-	358,349	-
	<u>602,144</u>	<u>1,618,127</u>	<u>2,220,271</u>	<u>3,733,800</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ 1,249,725</u>	<u>\$ (2,022,792)</u>	<u>\$ (773,067)</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-1001			
Grant Date	January 6, 2014			
Bond Authorization Date	September 30, 2014			
Bonds Authorized	\$ 2,240,280			
Bonds Issued				
Original Authorized Cost	\$ 3,733,800			
Revised Authorized Cost	\$ 3,733,800			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	49.87%			
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	84,341	\$ 669	85,010	123,500
Construction Services	253,606	8,182	261,788	909,150
Other Objects	218	291	509	5,000
Transfer to Capital Reserve - General Fund	165,979	-	165,979	-
	<u>504,144</u>	<u>9,142</u>	<u>513,286</u>	<u>1,037,650</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (338,165)</u>	<u>\$ (9,142)</u>	<u>\$ (347,307)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-060-14-1000
Grant Date	July 28, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 1,037,650
Bonds Issued	
Original Authorized Cost	\$ 1,037,650
Revised Authorized Cost	\$ 1,037,650

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	33.47%
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 THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	\$ 57,848		\$ 57,848	
Bond Proceeds	-	-	-	\$ 361,650
	<u>57,848</u>	<u>-</u>	<u>57,848</u>	<u>361,650</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	28,702	\$ 233	28,935	41,500
Construction Services	299,085	18,762	317,847	315,150
Other Objects	76	94	170	5,000
Transfer to Capital Reserve - General Fund	57,848	-	57,848	-
	<u>385,711</u>	<u>19,089</u>	<u>404,800</u>	<u>361,650</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (327,863)</u>	<u>\$ (19,089)</u>	<u>\$ (346,952)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-2000
Grant Date	August 29, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 361,650
Bonds Issued	
Original Authorized Cost	\$ 361,650
Revised Authorized Cost	\$ 361,650
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	95.94%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2016

ENTERPRISE FUNDS

**WOOD-RIDGE BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 126,788	\$ 43,904	\$ 170,692
Due From Other Funds	<u>-</u>	<u>1,462</u>	<u>1,462</u>
Total Assets	<u>\$ 126,788</u>	<u>\$ 45,366</u>	<u>\$ 172,154</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 11,829	\$ 11,829
Accrued Salaries and Wages		18,885	18,885
Reserve for Flexible Spending		14,652	14,652
Due to Student Groups	<u>\$ 126,788</u>	<u>-</u>	<u>126,788</u>
Total Liabilities	<u>\$ 126,788</u>	<u>\$ 45,366</u>	<u>\$ 172,154</u>

**WOOD-RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2017</u>
Student Activities Account	\$ 111,766	\$ 253,686	\$ 249,351	\$ 116,101
Athletic Account	<u>271</u>	<u>46,479</u>	<u>36,063</u>	<u>10,687</u>
Total	<u>\$ 112,037</u>	<u>\$ 300,165</u>	<u>\$ 285,414</u>	<u>\$ 126,788</u>

**PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance,</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2017</u>
ASSETS				
Cash and Cash Equivalents	\$ 41,401	\$ 11,204,615	\$ 11,202,112	\$ 43,904
Due From Other Funds	<u>1,462</u>	<u>-</u>	<u>-</u>	<u>1,462</u>
	<u>\$ 42,863</u>	<u>\$ 11,204,615</u>	<u>\$ 11,202,112</u>	<u>\$ 45,366</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 13,101	\$ 5,017,716	\$ 5,018,988	\$ 11,829
Accrued Salaries and Wages	17,418	6,168,822	6,167,355	18,885
Reserve for Flexible Spending	<u>12,344</u>	<u>18,077</u>	<u>15,769</u>	<u>14,652</u>
	<u>\$ 42,863</u>	<u>\$ 11,204,615</u>	<u>\$ 11,202,112</u>	<u>\$ 45,366</u>

LONG-TERM DEBT

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
School Refunding Bonds	1/13/2013	\$ 4,450,000	7/15/2017	\$ 360,000	3.000 %				
			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					
						<u>\$ 4,075,000</u>	<u>-</u>	<u>\$ 345,000</u>	<u>\$ 3,730,000</u>
						<u>\$ 4,075,000</u>	<u>\$ -</u>	<u>\$ 345,000</u>	<u>\$ 3,730,000</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, 2017**

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2017</u>
Computer Equipment - Chromebooks	\$ 234,092	\$ 116,963		\$ 57,378	\$ 59,585
Hand-Held Radios	24,261	<u>4,502</u>	-	<u>4,502</u>	-
		<u>\$ 121,465</u>	<u>\$ -</u>	<u>\$ 61,880</u>	<u>\$ 59,585</u>

**WOOD-RIDGE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 522,679		\$ 522,679	\$ 522,679	
State Source					
Debt Service Aid - Type II	9,201		9,201	9,201	
Total Revenues	<u>531,880</u>	<u>-</u>	<u>531,880</u>	<u>531,880</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	345,000		345,000	345,000	
Interest	186,881	-	186,881	117,075	\$ 69,806
Total Expenditures	<u>531,881</u>	<u>-</u>	<u>531,881</u>	<u>462,075</u>	<u>69,806</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>69,805</u>	<u>69,806</u>
Net Change in Fund Balance	(1)	-	(1)	69,805	69,806
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,806</u>	<u>\$ 69,806</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:	
Designated for Subsequent Year's Budget	<u>\$ 69,806</u>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities	(Restated)									
Investment in Capital Assets										
Restricted	\$ 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	\$ 15,858,968
Unrestricted	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	1,670,471
	<u>50,649</u>	<u>21,949</u>	<u>(178,669)</u>	<u>26,066</u>	<u>96,285</u>	<u>13,360</u>	<u>(3,655,448)</u>	<u>(3,373,767)</u>	<u>(7,527,099)</u>	<u>(11,919,230)</u>
Total Governmental Activities Net Position	<u>\$ 4,877,786</u>	<u>\$ 5,175,476</u>	<u>\$ 5,453,672</u>	<u>\$ 5,849,152</u>	<u>\$ 6,362,344</u>	<u>\$ 6,277,546</u>	<u>\$ 4,360,761</u>	<u>\$ 4,240,059</u>	<u>\$ 5,708,168</u>	<u>\$ 5,610,209</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 4,671	\$ 3,625	\$ 2,578	\$ 1,916	\$ 23,709	\$ 22,849	\$ 25,718	\$ 22,195	\$ 18,672	\$ 23,815
Unrestricted	21,540	39,871	60,052	66,434	30,816	26,581	25,713	20,871	34,272	56,063
Total Business-Type Activities Net Position	<u>\$ 25,211</u>	<u>\$ 43,496</u>	<u>\$ 62,630</u>	<u>\$ 68,350</u>	<u>\$ 54,525</u>	<u>\$ 49,430</u>	<u>\$ 51,431</u>	<u>\$ 43,066</u>	<u>\$ 52,944</u>	<u>\$ 79,878</u>
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 15,882,783
Restricted	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	1,670,471
Unrestricted (Deficit)	<u>72,189</u>	<u>61,820</u>	<u>(118,617)</u>	<u>92,500</u>	<u>127,101</u>	<u>39,941</u>	<u>(3,629,735)</u>	<u>(3,352,896)</u>	<u>(7,492,827)</u>	<u>(11,863,167)</u>
Total District Net Position	<u>\$ 4,903,997</u>	<u>\$ 5,218,972</u>	<u>\$ 5,516,302</u>	<u>\$ 5,917,502</u>	<u>\$ 6,416,869</u>	<u>\$ 6,326,976</u>	<u>\$ 4,412,192</u>	<u>\$ 4,283,125</u>	<u>\$ 5,761,112</u>	<u>\$ 5,690,087</u>

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.									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Instruction	\$ 7,328,623	\$ 7,658,207	\$ 8,008,182	\$ 7,666,644	\$ 7,745,091	\$ 7,712,716	\$ 8,240,879	\$ 10,696,906	\$ 9,062,055	\$ 9,973,941
Regular									4,846,677	5,420,002
Special Education									440,860	509,460
Other Instruction									600,628	706,810
School Sponsored Activities And Athletics										
Support Services:										
Tuition	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	1,635,675	1,612,269	1,781,973	1,847,454	1,816,489	1,986,337	2,204,080	2,680,711	2,837,800	3,022,317
General Administrative Services	428,327	467,108	506,152	435,980	510,635	503,476	614,242	864,169	818,285	850,764
School Administrative Services	735,789	736,746	706,934	772,819	817,217	1,012,327	986,951	1,211,279	1,175,087	1,401,041
Central Services	300,453	307,367	324,204	325,703	338,875	352,975	363,566	430,455	680,796	788,960
Administrative Information Technology	115,934	113,534	118,893	154,345	151,831	154,031	165,977	167,076		
Plant Operations And Maintenance	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	2,600,649
Pupil Transportation	619,154	538,802	493,178	519,844	441,156	569,410	609,472	712,044	608,408	782,790
Business and Other Support Services	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	249,958	238,604	229,991	221,082	211,820	148,533	117,167	130,840	163,391	109,013
Unallocated Depreciation	226,951	221,532	224,606	251,864	212,926	242,936	246,648	246,648		
Capital Outlay		10,718		37,056	19,097	37,333	29,575	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	-	-
Total Governmental Activities Expenses	16,311,822	16,186,832	16,787,956	17,006,801	17,613,225	18,830,106	20,171,044	21,996,766	23,473,641	26,165,747
Business-Type Activities:										
Food Service	394,949	400,845	377,660	381,875	406,185	415,251	392,425	430,064	430,350	412,545
Total Business-Type Activities Expense	394,949	400,845	377,660	381,875	406,185	415,251	392,425	430,064	430,350	412,545
Total District Expenses	\$ 16,706,771	\$ 16,587,677	\$ 17,165,616	\$ 17,388,676	\$ 18,019,410	\$ 19,245,357	\$ 20,563,469	\$ 22,426,830	\$ 23,903,991	\$ 26,578,292
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 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	\$ 1,757,641
Capital Grants and Contributions									2,417,693	844,458
Operating Grants and Contributions	434,906	403,820	472,003	459,208	415,322	356,575	320,050	4,175,286	4,754,846	6,338,049
Total Governmental Activities Program Revenues	1,541,017	1,529,136	1,543,278	1,667,293	1,804,248	1,605,648	1,484,549	6,001,703	8,935,699	8,940,148
Business-Type Activities:										
Charges For Services:										
Food Service	327,151	344,491	306,966	299,648	295,931	294,123	291,439	293,568	299,859	293,632
Operating Grants And Contributions	67,581	73,639	89,828	87,947	96,429	92,617	102,987	128,131	140,369	145,847
Total Business Type Activities Program Revenues	394,732	418,130	396,794	387,595	392,360	386,740	394,426	421,699	440,228	439,479
Total District Program Revenues	\$ 1,935,749	\$ 1,947,266	\$ 1,940,072	\$ 2,054,888	\$ 2,196,608	\$ 1,992,388	\$ 1,878,975	\$ 6,423,402	\$ 9,375,927	\$ 9,379,627
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (17,225,599)
Business-Type Activities	(217)	17,285	19,134	5,720	(13,825)	(28,511)	2,001	(8,365)	9,878	26,934
Total District-Wide Net Expense	\$ (14,771,022)	\$ (14,640,411)	\$ (15,225,544)	\$ (15,333,788)	\$ (15,822,802)	\$ (17,252,969)	\$ (18,684,494)	\$ (16,003,428)	\$ (14,528,064)	\$ (17,198,665)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,548,935	\$ 12,341,718	\$ 12,807,191	\$ 13,563,859	\$ 13,835,136	\$ 14,111,839	\$ 15,141,775	\$ 15,444,610	\$ 15,875,422	\$ 16,304,930
Taxes Levied for Debt Service	341,273	424,904	396,132	453,918	478,252	420,103	144,562	123,370	127,200	522,679
Unrestricted Grants and Contributions	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	73,250
Debt Service Aid										9,201
Interest and Miscellaneous Income	213,865	275,348	215,685	139,410	73,240	203,626	97,139	239,736	123,780	217,580
Rents and Royalties							251,368			
Special Item - Sale of Property							2,500,000			
Special Item - Capital Assets Superstorm Sandy	-	-	-	-	-	335,586	-	-	-	-
Total Governmental Activities	14,399,905	15,005,299	15,522,874	15,734,988	16,274,700	17,139,660	20,350,054	15,874,361	16,191,198	17,127,640
Business-Type Activities:										
Investment Earnings	2,698									
Other	-	-	-	-	-	23,416	-	-	-	-
Total Business-Type Activities	2,698	-	-	-	-	23,416	-	-	-	-
Total District-Wide	\$ 14,402,603	\$ 15,005,299	\$ 15,522,874	\$ 15,734,988	\$ 16,274,700	\$ 17,163,076	\$ 20,350,054	\$ 15,874,361	\$ 16,191,198	\$ 17,127,640
Change in Net Position										
Governmental Activities	\$ (370,900)	\$ 347,603	\$ 278,196	\$ 395,480	\$ 465,723	\$ (84,798)	\$ 1,663,559	\$ (120,702)	\$ 1,653,256	\$ (97,959)
Business-Type Activities	2,481	17,285	19,134	5,720	(13,825)	(5,095)	2,001	(8,365)	9,878	26,934
Total District Wide	\$ (368,419)	\$ 364,888	\$ 297,330	\$ 401,200	\$ 451,898	\$ (89,893)	\$ 1,665,560	\$ (129,067)	\$ 1,663,134	\$ (71,025)

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 461,953	\$ 781,011	\$ 1,208,621							
Restricted				\$ 1,081,368	\$ 1,344,994	\$ 1,163,783	\$ 3,336,223	\$ 508,951	\$ 1,811,113	\$ 1,600,665
Committed				104,265	97,938	47,728				
Assigned				16,408	154,085	104,641	24,250	502,931	424,579	366,766
Unassigned				307,398	412,321	308,739	340,037	408,027	205,543	107,205
Unreserved	<u>415,811</u>	<u>408,479</u>	<u>202,327</u>	-	-	-	-	-	-	-
Total General Fund	<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>	<u>\$ 2,074,636</u>
All Other Governmental Funds										
Reserved/Restricted	\$ 103,486	\$ 9,247						\$ 1,451,810	\$ (3,969,195)	\$ (7,542,019)
Unreserved, Reported in:										
Capital Projects Fund	1,470,724	1,316,356	1,290,852	1,179,013	1,179,013	877,681	567,682			
Debt Service Fund	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>\$ 1,737,178</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>	<u>\$ (7,542,019)</u>

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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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 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	\$ 16,827,609
Tuition Charges	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	1,757,641
Interest Earnings	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	128,977	251,436	217,849	147,857	78,446	210,206	107,514	90,982	102,963	241,690
State Sources	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	3,706,100
Federal Sources	312,709	306,097	503,793	480,915	461,982	348,423	309,549	341,625	384,065	385,432
Total Revenue	15,860,284	16,512,177	17,066,152	17,340,978	18,085,109	18,409,722	20,334,603	20,348,769	23,155,453	22,918,472
Expenditures										
Instruction	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	8,022,531
Special Education Instruction									4,568,623	4,972,332
Other Instruction									378,792	405,587
School Sponsored Activities and Athletics									528,412	575,385
Other Instructional Programs										
Community Services										
Support Services										
Tuition	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	1,427,299	1,430,231	1,550,394	1,611,251	1,582,299	1,758,434	1,957,784	2,070,393	2,618,755	2,640,822
General Administrative Services	385,508	426,104	461,530	385,284	455,113	447,064	536,112	501,935	761,737	739,786
School Administrative Services	616,026	624,762	591,923	641,279	658,524	811,400	784,016	732,130	1,026,878	1,134,711
Central Services	254,876	263,820	276,980	274,809	289,941	299,876	307,887	318,541	635,437	675,711
Administrative Information Technology	94,950	94,469	98,404	131,302	130,018	130,488	142,310	134,165		
Plant Operations And Maintenance	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	1,877,290
Pupil Transportation	636,262	538,575	487,519	512,908	434,863	562,065	600,973	452,959	605,110	771,724
Unallocated Benefits	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		12,718	142,216	195,021	73,220	351,186	95,801	1,614,233	5,912,851	4,513,445
Debt Service										
Principal	241,105	262,164	245,000	255,000	265,000	275,000	310,000	320,000	393,682	406,880
Interest and Other Charges	251,941	242,914	233,922	225,172	216,072	206,279	144,898	138,350	134,633	121,691
Transfer to Charter School	-	-	50,075	49,296	27,658	36,897	62,473	56,186	-	-
Total Expenditures	16,350,247	16,276,632	16,959,414	17,267,566	17,587,694	19,070,339	20,069,320	22,006,086	27,309,268	26,857,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	(489,963)	235,545	106,738	73,412	497,415	(660,617)	265,283	(1,657,317)	(4,153,815)	(3,939,423)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)										
Bond Proceeds						14,974				
Other - Superstorm Sandy Recovery						338,086				
Superstorm Sandy Expenses						(338,086)				
Transfers In	80,638	25,251	2,821	1,175	366	275,006	310,000	2,820,000	2,780,190	191,692
Transfers Out	(80,638)	(26,251)	(2,821)	(1,175)	(366)	(275,006)	(310,000)	(2,820,000)	(2,780,190)	(191,692)
Total Other Financing Sources (Uses)	-	(1,000)	-	-	-	14,974	-	-	-	-
Net Change in Fund Balances	\$ (489,963)	\$ 234,545	\$ 106,738	\$ 73,412	\$ 497,415	\$ (645,643)	\$ 265,283	\$ (1,657,317)	\$ (4,153,815)	\$ (3,939,423)
Debt Service as a Percentage of Noncapital Expenditures	3.02%	3.11%	2.86%	2.82%	2.75%	2.58%	2.28%	2.25%	2.47%	2.37%

* 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>
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
2017	8,964		1,757,641		22,436	168,130	1,957,171

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 ^a
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
2017 (1)	96,231,800	966,369,000	74,198,000	106,296,000	31,582,400	1,274,677,200	930,062	1,275,607,262	1,270,429,581	1.373

Source: County Abstract of Ratables

^a Tax rates are per \$100

(1) The Borough underwent a revaluation of real property which became effective January 1, 2017.

**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>
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
2017	(1) 2.620	1.373	0.996	0.251

(1) The Borough underwent a revaluation of real property which became effective January 1, 2017.

Source: Tax Duplicate, Borough of Wood-Ridge

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

Taxpayer	2017		2008	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation	Taxable Assessed Valuation	% of Total District Net Assessed Value
WR Industrial	\$ 50,000,000	3.92%		
Wood-Ridge Development LLC - Highland Ave	15,886,300	1.25%		
One Ethel Blvd LLC	13,078,000	1.03%		
Cliff View Gardens	11,903,000	0.93%		
Wood-Ridge Development LLC - Moonachie Ave	9,086,600	0.71%	Not Available	
Windsor Wood-Ridge, LLC	8,581,100	0.67%		
Deldor Realty Corp. C/O Fiesta	6,415,200	0.50%		
Wesmont Station Res I Urb Renewal	6,177,800	0.48%		
Terminal Construction Corp	5,886,700	0.46%		
JRMA Holding LLC C/O President Cont.	5,641,300	0.44%		
	<u>\$ 132,656,000</u>	<u>10.40%</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	
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
2017	16,827,609	16,827,609	100.00	

Source: District records.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population (E)	Per Capita
	General Obligation Bonds	Capital Leases			
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
2017	3,730,000	59,585	3,789,585	8,600	441

Source: District records

(E) Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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
2017	3,730,000		3,730,000	0.292	434

Source: District records

**WOOD-RIDGE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2016
(Unaudited)**

	<u>Net Debt</u>
DIRECT DEBT: (1)	
Wood-Ridge Board of Education	\$ 13,107,513
Borough of Wood-Ridge	<u>35,733,423</u>
	<u>\$ 48,840,936</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) & (3)	
County of Bergen (A)	8,580,587
Bergen County Utilities Authority (B)	<u>1,805,230</u>
	<u>10,385,817</u>
Total Direct and Overlapping Debt	<u>\$ 59,226,753</u>

(A) The debt for this entity was apportioned to the Borough of Wood-Ridge by dividing the Municipality's 2016 equalized valuation by the total 2016 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 2016 audit.
- (3) Bergen County Debt Statement December 31, 2016

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

	Fiscal Year Ended June 30.									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 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	\$ 46,444,984
Total Net Debt Applicable to Limit	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	13,107,513
Legal Debt Margin	<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>	<u>\$ 33,337,471</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.30%	11.73%	11.00%	10.79%	16.15%	10.40%	9.92%	29.51%	28.99%	28.22%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis	
2014	\$ 1,158,303,678
2015	1,153,257,352
2016	1,171,812,748
	<u>\$ 3,483,373,778</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,161,124,593</u>
Debt Limit (4 % of Average Equalization Value)	\$ 46,444,984
Total Net Debt Applicable to Limit	13,107,513
Legal Debt Margin	<u>\$ 33,337,471</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>
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%	75,849	7,933
2016	4.40%	75,849	E 8,249
2017	4.40%	E 75,849	E 8,600

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>Employer</u>	<u>2017</u>		<u>2008</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	69.0	68.4	72.9	72.0	71.8	66.0	75.4	83.2	80.4	84.0
Special Education	11.0	11.5	11.5	11.5	11.5	14.6	16.8	15.8	16.0	16.0
Other Special Education	9.0	11.0	9.0	9.3	9.2	4.0	2.0	2.0	2.0	2.6
Other Instruction	3.0	4.1	5.1	5.7	6.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student and Instruction Related Services	13.2	13.5	13.2	13.2	13.2	15.0	17.0	11.0	18.5	21.0
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0
School Administrative Services	7.5	7.5	7.3	7.3	7.3	9.0	9.0	8.0	8.0	8.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	3.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0	1.0
Plant Operations And Maintenance	13.0	13.0	12.0	12.0	12.0	11.5	12.0	11.5	12.0	12.0
Pupil Transportation			0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Food Service	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Total	<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>	<u>154.1</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	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				
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%
2017	1,244	21,815,879	17,537	-0.67%	103.60	1:14	1:15	1:12	1,215	1,169	3.14%	96.21%

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Building										
Elementary										
Catherine A. Doyle (1952)										
Square Feet	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587
Capacity (students)	355	355	355	355	355	355	355	355	355	355
Enrollment	479	529	535	525	525	501	319	351	353	383
Middle School										
Wood-Ridge Intermediate School (2014)*										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	37,725	37,725	37,725	37,725
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	290	290	290	290
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	279	267	268	262
Ostrovsky Middle School (1958)**										
Square Feet	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738
Capacity (students)	244	244	244	244	244	244	244	244	244	244
Enrollment	231	239	247	263	263	282	192	198	188	170
High School										
Wood-Ridge High School (1923)										
Square Feet	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792
Capacity (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	420	427	400	371	371	357	357	366	389	429
Central Administration										
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, 2017

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

* 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
* School Facilities										
Catherine A. Doyle Elementary School	\$ 102,789	\$ 86,042	\$ 84,769	\$ 115,075	\$ 120,686	\$ 136,079	\$ 84,601	\$ 121,924	\$ 113,118	\$ 108,488
Intermediate School							52,174	75,080	69,657	66,806
Ostrovsky Middle School	63,553	87,917	74,088	101,081	90,710	99,378	83,361	78,287	72,633	69,660
Wood-Ridge High School	<u>160,071</u>	<u>110,643</u>	<u>105,650</u>	<u>127,723</u>	<u>116,832</u>	<u>121,058</u>	<u>85,313</u>	<u>85,224</u>	<u>79,068</u>	<u>75,831</u>
Total School Facilities	326,413	284,602	264,507	343,879	328,228	356,515	305,449	360,515	334,476	320,785
Other Facilities										
Central Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,563</u>	<u>4,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>\$ 326,413</u>	<u>\$ 284,602</u>	<u>\$ 264,507</u>	<u>\$ 343,879</u>	<u>\$ 329,791</u>	<u>\$ 360,708</u>	<u>\$ 305,449</u>	<u>\$ 360,515</u>	<u>\$ 334,476</u>	<u>\$ 320,785</u>

* 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, 2017
(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	100,000,000	1,000
	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
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
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**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, 2017 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 14, 2017.

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.

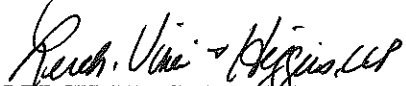
Compliance and Other Matters

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 14, 2017.

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 14, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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**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, 2017. 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 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, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major state program is not modified with respect to these matters.

The Wood-Ridge Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Wood-Ridge Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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.

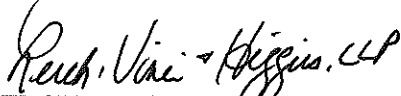
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.


The Wood-Ridge Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Wood-Ridge Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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, 2017 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 14, 2017, 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 is 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 14, 2017

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2016		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Unearned Revenue Carryover Adjustments	Accounts Receivable Carryover Adjustments	Balance at June 30, 2017			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																	
General Fund:																	
ARRA - Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	4/1/09-12/31/09	\$ 1,291	-	-	-	-	\$ 1,291	\$ 1,291	-	-	-	-	-	-
Total General Fund						-	-	-	-	1,291	1,291	-	-	-	-	-	-
Special Revenue Fund:																	
NCLB Consolidated:																	
IDEA Part B - Basic	84.027	H027A160100	IDEA5830-17	7/01/16-6/30/17	251,718					243,240	251,717			\$ (8,478)	\$ 1		\$ (8,477)
IDEA Part B - Basic	84.027	H027A150100	IDEA5830-16	7/01/15-6/30/16	265,333	\$ (52,775)				52,775							
IDEA Part B - Preschool	84.173	H173A160114	IDEA5830-17	7/01/16-6/30/17	11,449					11,449	11,449						
Title I	84.010	S010A160030	NCLB5830-17	7/01/16-6/30/17	95,830		\$ 16,928	\$ (105,112)		180,018	105,472			(20,924)	7,286		(13,638)
Title I, Carryover	84.010	S010A150030	NCLB5830-16	7/01/15-6/30/16	94,573	(105,112)	\$ 16,928	(16,928)	105,112								
Title II - Part A	84.367A	S367A160029	NCLB5830-17	7/01/16-6/30/17	14,316		5,048	(6,548)		14,531	13,043	\$ (138)		(6,333)	6,183		(150)
Title II - Part A, Carryover	84.367A	S367A150029	NCLB5830-16	7/01/15-6/30/16	15,989	(6,548)	4,910	(5,048)	6,548			\$ 138					
Title III	84.365	S365A160030	NCLB5830-17	7/01/16-6/30/17	3,387		2,005	(4,940)		4,940	2,460			(3,387)	2,932		(455)
Title III, Carryover	84.365	S365A150030	NCLB5830-16	7/01/15-6/30/16	2,593	(4,940)	2,005	(2,005)	4,940	-	-			-	-		-
Total Special Revenue Fund						(169,375)	23,843	-	-	506,953	384,141	(138)	138	(39,122)	16,402	-	(22,720)
U.S. Department of Agriculture																	
Passed-through State Department of Agriculture																	
Enterprise Fund:																	
School Breakfast Program	10.553	171NJ304N1099	N/A	7/01/16-6/30/17	10,553					9,751	10,553			(802)			(802)
School Breakfast Program	10.553	16161NJ304N1095	N/A	7/01/15-6/30/16	10,711	(615)				615							
National School Lunch Program																	
Non-Cash Assistance	10.555	171NJ304N1099	N/A	7/01/16-6/30/17	33,120					33,120	33,120						
Cash Assistance	10.555	171NJ304N1099	N/A	7/01/16-6/30/17	98,404					92,553	98,404			(5,851)			(5,851)
Cash Assistance	10.555	16161NJ304N1095	N/A	7/01/15-6/30/16	96,809	(4,736)				4,736							
Total Enterprise Fund						(5,351)	-	-	-	140,775	142,077	-	-	(6,653)	-	-	(6,653)
Total Federal Financial Awards						\$ (174,726)	\$ 23,843	\$ -	\$ -	\$ 649,019	\$ 527,509	\$ (138)	\$ 138	\$ (45,775)	\$ 16,402	\$ -	\$ (29,373)

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016			Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	Balance June 30, 2017			MEMO Cumulative	
				(Accts Rec)	Unearned Revenue	Cash Received				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 40,733			\$ 39,085	\$ 40,733			\$ (1,648)			\$	40,733
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	42,210	(1,735)		1,735								
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	662,355			635,547	662,355			(26,808)				662,355
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	663,039	(27,249)		27,249								
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	22,479			21,569	22,479			(910)				22,479
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	18,978	(780)		780								
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	10,940			10,497	10,940			(443)				10,940
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	10,940	(450)		450								
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	10,980			10,536	10,980			(444)				10,980
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	10,940			10,497	10,940			(443)				10,940
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	10,940	(450)		450								
Total State Aid Public				(30,664)	-	758,395	758,427	-	-	(30,696)	-	-	-	758,427
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	36,887			35,394	36,887			(1,493)				36,887
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	32,013	(1,315)		1,315								
Extraordinary Special Education Costs	17-495-034-5120-044	7/1/16-6/30/17	265,763				265,763			(265,763)				265,763
Extraordinary Special Education Costs	16-495-034-5120-044	7/1/15-6/30/16	226,887	(226,887)		226,887								
On-Behalf TPAF Contributions-Post Retirement	17-495-034-5094-001	7/1/16-6/30/17	590,841			590,841	590,841							590,841
On-Behalf TPAF Contributions-Normal Cost	17-495-034-5094-002	7/1/16-6/30/17	684,305			684,305	684,305							684,305
On-Behalf TPAF Contributions-NCGI	17-495-034-5094-004	7/1/16-6/30/17	24,794			24,794	24,794							24,794
On-Behalf TPAF Contributions-LTDI	17-495-034-5094-004	7/1/16-6/30/17	2,411			2,411	2,411							2,411
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	528,099			501,564	528,099			(26,535)		\$	(26,535)	528,099
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	512,157	(25,113)		25,113								
Total General Fund				(283,979)	-	2,851,019	2,891,527	-	-	(324,487)	-	-	(26,535)	2,891,527
Capital Projects Fund														
High School Roof Replacement	5830-050-14-1002	7/1/14-6/30/15	379,560	(379,560)	\$ 26,201	343,258		\$ (10,101)						
2014 Referendum:														
Ostrovsky Middle School Gym HVAC	5830-070-14-1009	7/1/14-6/30/15	271,200	(271,200)	251,039	191,189	30,277			(10,063)	150,814		(10,063)	30,277
Ostrovsky Middle School Windows	5830-070-14-1010	7/1/14-6/30/15	303,680	(303,680)	92,577	267,722	64,456			(14,091)	6,254		(14,091)	64,456
Ostrovsky Middle School HVAC	5830-070-14-1008	7/1/14-6/30/15	676,200	(676,200)	471,275	286,478				(491,403)			(491,403)	286,478
Doyle HVAC	5830-060-14-1007	7/1/14-6/30/15	1,020,040	(1,020,040)	66,384	687,833		(229,621)		(36,202)			(36,202)	
Doyle Window Replacement	5830-060-14-1005	7/1/14-6/30/15	233,880	(233,880)	48,178	183,627	7,590			(9,665)			(9,665)	7,590
High School Window Replacement	5830-050-14-1004	7/1/14-6/30/15	443,880	(443,880)	52,611	421,686	48,127			(17,710)			(17,710)	48,127
High School HVAC	5830-050-14-1001	7/1/14-6/30/15	1,493,520	(1,493,520)	1,396,002	647,251				(1,088,855)	344,086		(1,088,855)	647,251
Total Capital Projects Fund				(4,821,960)	2,404,267	2,095,315	1,084,179	-	(239,722)	(1,667,989)	501,154	-	(1,667,989)	1,084,179
Debt Service Fund:														
Debt Service Aid	17-495-034-5120-075	7/1/16-6/30/17	9,201			9,201	9,201							9,201
Total Debt Service Fund				-	-	9,201	9,201	-	-	-	-	-	-	9,201
Enterprise Fund:														
State Department of Agriculture														
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	3,770			3,536	3,770			(234)			(234)	3,770
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	3,786	(186)		186								
Total Enterprise Fund				(186)	-	3,722	3,770	-	-	(234)	-	-	(234)	3,770
Total State Financial Assistance Subject to Single Audit Determination														
				(5,106,125)	2,404,267	4,959,257	3,988,677	-	(239,722)	(1,992,710)	501,154	-	(1,694,758)	3,988,677

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016			Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	Balance June 30, 2017			MEMO	
				(Accts Rec)	Unearned Revenue	Cash Received				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Financial Assistance													*	
Not Subject to Single Audit Determination													*	
General Fund - On Behalf TPAF													*	
Post Retirement Medical	17-495-034-5094-001	7/1/16-6/30/17	\$ 590,841			\$ (590,841)	\$ (590,841)						*	\$ (590,841)
Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	684,305			(684,305)	(684,305)						*	(684,305)
Long Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	2,411			(2,411)	(2,411)						*	(2,411)
NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	24,794	-	-	(24,794)	(24,794)	-	-	-	-	-	*	(24,794)
Total State Financial Assistance Subject to Major Program Determination				\$ (5,106,125)	\$ 2,404,267	\$ 3,656,906	\$ 2,686,326	\$ -	\$ (239,722)	\$ (1,992,710)	\$ 501,154	\$ -	\$ (1,694,758)	\$ 2,686,326

**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, 2017**

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 Title 2 U.S. Code of Federal Regulations Part 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 \$39,086 for the general fund and an increase of \$7,401 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	\$ 1,291	\$ 2,852,441	\$ 2,853,732
Special Revenue Fund	384,141		384,141
Capital Projects Fund		844,458	844,458
Debt Service Fund		9,201	9,201
Food Service Fund	142,077	3,770	145,847
	<u>527,509</u>	<u>3,709,870</u>	<u>4,237,379</u>
Total Awards Financial Assistance	\$ 527,509	\$ 3,709,870	\$ 4,237,379

**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, 2017**

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 \$528,099 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$709,099 , TPAF Post-Retirement Medical Benefits Contributions in the amount of \$590,841 and TPAF Long-Term Disability Insurance in the amount of \$2,411 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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.

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to basic financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards Section

Not Applicable

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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? X yes none reported

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

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>Various</u>	<u>Schools Development Authority</u>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>

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, 2017**

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, 2017**

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.

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 STATE AWARDS

Finding 2017-001

Our audit revealed two instances where contract awards and purchases were made in excess of the bid threshold where there was no documentation provided to support publicly advertised bids were sought. These respective contracts were not submitted to the Board their approval. Additionally, two contracts awarded through the State contract and cooperative programs were also not approved by the Board and included in the District's official minutes.

State program information:

Equalization Aid	495-034-5120-078
Per Pupil Growth Aid	495-034-5120-097
PAARC Readiness	495-034-5120-098
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Professional Learning Community Aid	495-034-5120-101

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions
NJSA 18A:18A – Public School Contracts Law

Condition:

Purchases of certain goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law. These purchases were not approved by the Board of Trustees.

Questioned Costs:

Unknown.

Context:

Purchases and contracts for asbestos removal (\$62,400) and cafeteria improvements (\$57,700) were made for which documents were unavailable to determine if awards were procured through public bids or other required processes in accordance with Public School Contracts Law. These contracts were not approved by the Board. In addition, contracts awarded through State contract and cooperative programs for wireless system upgrades (\$63,672) and science lab equipment (\$353,262) were not approved the Board

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 STATE AWARDS (Continued)

Finding 2017-001 (Continued)

Effect:

Noncompliance with requirements of the Public School Contracts Law.

Cause:

Unknown.

Recommendation:

Internal control procedures over purchasing be reviewed and enhanced to ensure all contract awards which exceed the bid threshold are made in accordance with the requirements of the Public School Contracts Law.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**WOOD-RIDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.