

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of Woodcliff Lake Board of Education**

**County of Bergen**

**Woodcliff Lake, New Jersey**

**For the Fiscal Year Ended June 30, 2017**

**Prepared by**

**Borough of Woodcliff Lake, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

# *Woodcliff Lake Public Schools*

134 Woodcliff Avenue, Woodcliff Lake, NJ 07677

## **OFFICE OF THE SUPERINTENDENT**

**Lauren Barbelet**  
*Superintendent of Schools*

(201) 930-5600 ext. 250  
FAX (201) 930-0488

October 18, 2017

Members of the Board of Education  
Woodcliff Lake Public School District  
Woodcliff Lake, NJ 07677

The comprehensive annual financial report of the Woodcliff Lake School District for the fiscal year ending 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 Woodcliff Lake School District (hereafter referred to as the “District”). 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 charts, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor’s report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey OMB Circular 15-08 “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.” Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.



## Woodcliff Lake Board of Education

**1. REPORTING ENTITY AND ITS SERVICES:** The Woodcliff Lake Public School District is an independent reporting entity within the criteria adopted by Governmental Accounting Standards Board (GASB) Statement No. 39. All funds of the District are included in this report. The Woodcliff Lake Board of Education and both its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 8. These services include regular and special education for students with disabilities. The District closed the 2016-2017 fiscal year with an enrollment of nearly 800 students. Exhibit J-18 details the changes in the average student enrollment of the district over the last ten years.

**2. ECONOMIC CONDITION AND OUTLOOK:** Woodcliff Lake is primarily a residential community with a few small businesses and a corporate enterprise area. The latter provides a significant portion of the tax base. The economic health of the major businesses in this corporate area appears to be stable even in these unstable economic times. The financial condition of the municipality is reflected in the fact that in 2012, the borough received a bond rating of Aa1 from Moody's. In addition, the school district received a rating of AA+ from Standard and Poor's on a \$10,000,000 bond issue sold in March 2004. This same bond was refinanced in the fall of 2012, resulting in an \$800,000 savings to the taxpayers.

Woodcliff Lake has been viewed as one of the premier residential communities of the Northeastern United States. This is expected to continue.

Upon reflection, in October of 2008, the community, state, and national economies entered into a depressionary economic cycle. The effects of that recession began to affect the school and community economics by the spring of 2009. Our district experienced the complete loss of state aid and several other sources of state income were significantly reduced. The total financial loss to the district at that time was approximately \$750,000. The community was prevented from raising the funds to supplement this loss through taxes as the tax cap percentage eliminated this as an option.

After serious review of the district's current and future financial support, the Board of Education, with the help of its professional staff, reduced the entire school operation by 20 positions bringing the district back into financial balance. The school continues in 2016-2017 to be more efficient than ever before *from a financial perspective*. The District continues to plan and utilize staff to maximize efficiency. From the *educational view* the district has lost significant services that were valuable and desirable as experiences for children. From class size to academic programs to privatization of our custodial staff, the district has endured the financial loss and continues to explore income streams such as grants and donations. Our district will continue to charge tuition for our formerly free pre-school program and we will also continue to charge tuition for our after school child care program. Major building and grounds repairs have been prioritized and planned for future consideration.

## Woodcliff Lake Board of Education

**3. MAJOR INITIATIVES:** The District (absent of a grant waiver) has remained firm in its commitment to apply available resources in an efficient and effective manner especially in light of the major financial loss it has experienced over the past few years. During the 2014-2015 school year, the district applied for over 4 million dollars in state grant funding for capital projects, thereby providing less of a financial burden on the Woodcliff Lake taxpayers. The state approved over 3 million dollars for six capital projects, which empower safety and security, improved learning environments and building envelope.

The Board of Education continues to commit community resources to the infrastructure and educational programs needed to support learning initiatives in alignment with the New Jersey Student Learning Standards, school security and safety, and state-mandated assessments, such as PARCC.

The Board of Education believes that strong teaching is at the core of quality education, and thus, provides the financial support for the district to act and make decisions toward instructional improvement. The Board encourages holding faculty (administrators and teachers) accountable for high-quality teaching and supports the effort to employ the best faculty available. Inducting and maintaining highly effective faculty requires quality professional development, which the Board holds as a priority.

### Instructional Program Improvements

Instructional improvements observed during the 2016-2017 school year are the direct result of professional development opportunities that are specific to the needs of teachers and students. Regionally, teachers and administrators engaged in professional development and curricular revisions pertaining to new teacher development, mathematics and English Language Arts. Locally, teachers participated in Professional Learning Communities, department meetings, workshops, webinars, book clubs, and observational lesson study. Additionally, each year, strategic planning of school scheduling allows for improvements in meeting student needs.

### Management Improvement 16-17

The management team meets monthly to review progress towards the district's objectives. In addition the team plans for additional programs which will guide the faculty. The team members are full participants in the planning of all activities and serve to alert senior management on the needs of the buildings and subject areas.

### Faculty Improvement in 16-17

As the skills and attributes necessary to become successful and contributing members of society are continuously morphing, so must our instructional practices. Therefore, district educators must reflect on and grow their pedagogy through ongoing, modern professional development. Continued training in reading instruction, writing instruction, vocabulary/grammar instruction, math instruction, technology integration, STEAM and other 21<sup>st</sup> century skills are important for all faculty members in Woodcliff Lake. Teachers took part in professional growth experiences within district, regionally and through outside organizations.

## Woodcliff Lake Board of Education

Reflection and accountability are central to teacher improvement, and therefore, all teachers are evaluated throughout the year. Such evaluations are comprised of multiple components, including documentation of evidence conveying effective teaching, student growth objectives, and observations conducted by supervisors. These means of evaluation are not only used for reflection and identification of areas of strength and weakness, but also to inform decisions regarding continued employment.

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

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

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the district maintains budgetary controls. 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 the fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

**6. ACCOUNTING SYSTEM AND REPORTS:** The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements"- Note 1.

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:** 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.

Woodcliff Lake Board of Education

**8. DEBT ADMINISTRATION:** As of June 30, 2017, the district's outstanding bond debt included issues totaling \$5,755,000.00.

**9. 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 2. 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 originally enacted in 1970 and amended in 2009 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.

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

**11. OTHER INFORMATION: Independent Audit -** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements, individual fund statements, and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

**12. ACKNOWLEDGMENTS:** We would like to express our sincere appreciation to the members of the Woodcliff Lake Board of Education 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. Additionally, we wish to note that the preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,



Lauren Barbelet,  
District Superintendent

WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY 07677

ROSTER OF OFFICIALS

**JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patricia Eichenlaub, President	2019
Jeffrey Hoffman, Vice President	2019
Peggy Falanga	2019
Robert Nathin	2017
Andrew Roth	2018
Kristan Saks	2018
Debra Starr	2017

Other Officials

Lauren Barbelet, Superintendent of Schools

Matthew Lynaugh, School Business Administrator/Board Secretary

Stephen R. Fogarty, Board Attorney

Robert Wright, Board Treasurer

**WOODCLIFF LAKE BOARD OF EDUCATION**

**Consultants and Advisors**

**Architect**

Dicara/Rubino  
30 Galesi Drive  
Wayne, New Jersey 07470

**Audit Firm**

Suplee, Clooney & Company  
308 East Broad Street  
Westfield, New Jersey 07090

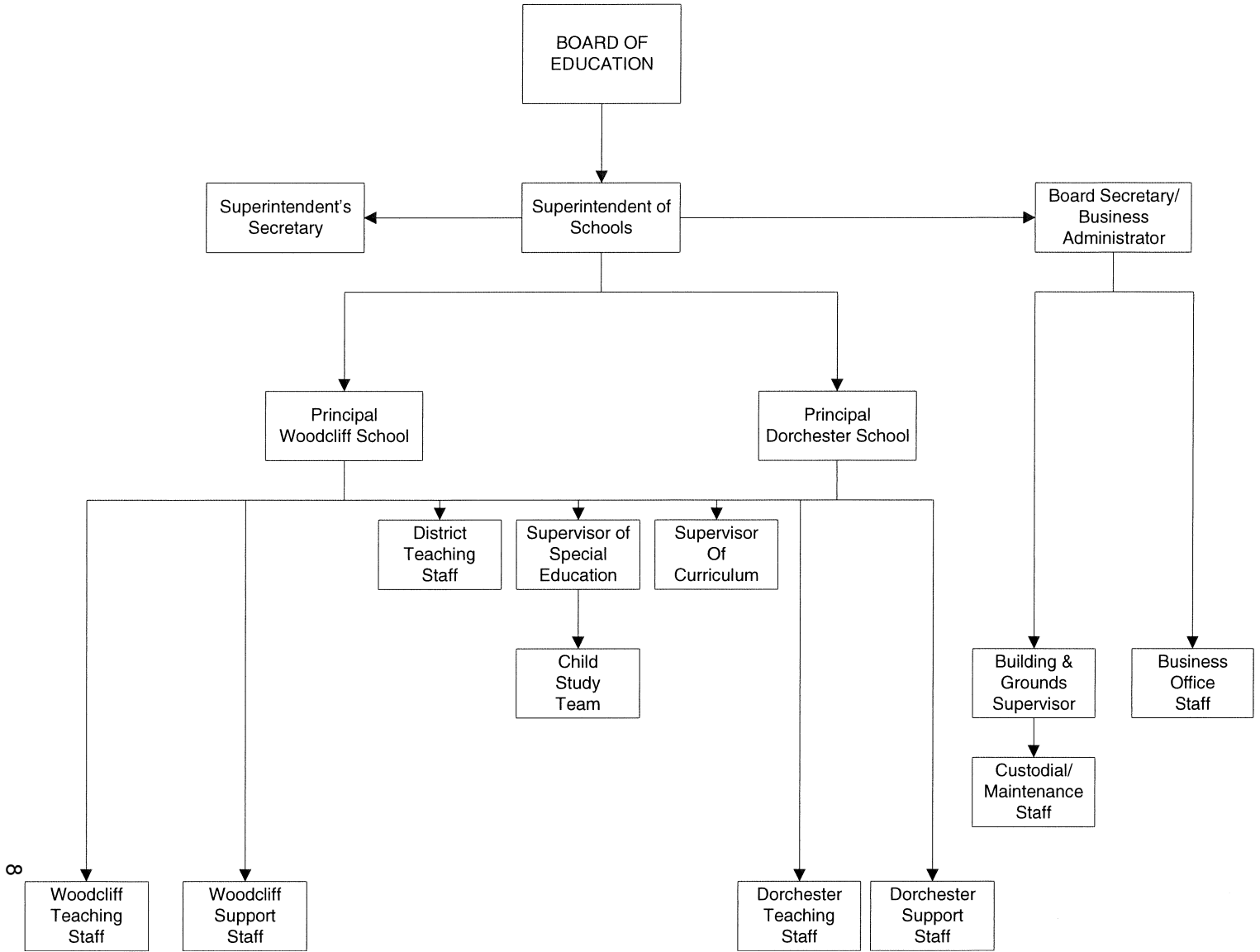
**Attorney**

Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, New Jersey 07410

**Official Depository**

Capital One Bank  
553 Broadway  
Westwood, New Jersey 07675

**WOODCLIFF LAKE BOARD  
OF EDUCATION  
ORGANIZATIONAL CHART  
(UNIT CONTROL)**



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**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail [info@senco.com](mailto:info@senco.com)

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Woodcliff Lake Borough School District  
County of Bergen  
Woodcliff Lake, New Jersey 07677

### ***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 Woodcliff Lake Borough School District, County of Bergen, New Jersey as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodcliff Lake Borough School District, County of Bergen, New Jersey as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodcliff Lake Borough School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by the State of New Jersey, Department of Education, Division of Finance 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. 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 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2017 on our consideration of the Woodcliff Lake Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Woodcliff Lake Borough School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

October 18, 2017

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

The discussion and analysis of Woodcliff Lake Board of Education District'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 School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2017 are as follows:

- In total, net position increased \$1,027,596.28, which represents a 6 percent increase from 2016.
- General revenues accounted for \$15,378,437.49 in revenue, or 73 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,685,351.91 in revenue or 27 percent of total revenues.
- The School District had \$20,036,193.12 in expenses; only \$5,685,351.91 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy and unrestricted state aid) of \$15,378,437.49 were adequate to provide for these programs.
- Total Governmental Activities Net Position increased by \$956,194.86 as cash and cash equivalents increased by \$706,748.38, receivables increased by \$35,157.29, capital assets decreased by \$299,970.41 and liabilities increased by \$217,086.39.
- Among governmental funds, the General Fund had \$16,700,399.98 in revenues and \$15,641,832.20 in expenditures.

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

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

This annual report consists of a series of financial statements and explanatory notes. The report is organized so that the reader can first understand Woodcliff Lake School District as a financial whole. The financial operations of each individual fund are also described in detail later in the report.

*The Statement of Net Position and Statement of Activities:* The purpose of the Statement of Net Position and Statement of Activities is to combine financial data of all individual fund operations to present information about the activities of the School District as a whole. Activities are broken down into two broad categories: Governmental Activities and Business-Type Activities. The most significant amount of activity for the Woodcliff Lake Board of Education occurs in the category of Governmental Activities.

**Reporting the School District as a Whole**

**State of Net Position and the Statement of Activities**

While the CAFR report contains detail of all individual funds used by the School District to provide programs and activities, the most significant statements are the Statement of Net Position and Activities. These statements include all assets, liabilities and activities using the accrual basis of accounting. The accrual basis of accounting reflects recognition of revenues and expenditures when earned rather than received.

The Statements of Assets and Activities report the School District's net position and changes in those assets. This change in net position is important because it tells the reader whether the financial position of the School District has improved or diminished. The causes of this change may be attributable to non-financial factors such as: The School District's property tax base, changes in current State law, facility conditions, mandated educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District's operating activities are divided into two distinct types:

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



**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

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

**Fund Financial Statements**

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

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows through those funds and the balances left at year-end. These funds are reported using an accounting method referred to as the modified accrual basis of accounting, which recognizes revenue and expenditures when they become both measurable and available. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine the availability of 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. These statements closely resemble financial statements of a private sector business entity.

**The School District as a Whole**

The Statement of Net Position provides the perspective of the School District as a whole.

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

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

*Table 1* provides a summary of the School District's net position for 2017.

	<b>Table 1</b>	
	<b>Net Position</b>	
	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current and Other Assets	\$4,877,680.38	\$4,064,406.62
Capital Assets	<u>23,863,136.76</u>	<u>24,163,107.17</u>
 Total Assets	 <u>28,740,817.14</u>	 <u>28,227,513.79</u>
 <b>Deferred Outflow of Resources</b>	 <u>1,529,310.00</u>	 <u>866,478.00</u>
 <b>Liabilities</b>		
Long-Term Liabilities	10,547,535.91	10,284,215.81
Other Liabilities	<u>289,421.00</u>	<u>335,654.71</u>
 Total Liabilities	 <u>10,836,956.91</u>	 <u>10,619,870.52</u>
 <b>Deferred Inflow of Resources</b>	 <u>570,625.31</u>	 <u>639,172.63</u>
 <b>Net Position</b>		
Net Investment in Capital Assets	17,870,103.54	17,441,654.73
Restricted	4,027,676.84	3,276,706.23
Unrestricted (Deficit)	<u>(3,035,235.46)</u>	<u>(2,883,412.32)</u>
 <b>Total Net Position</b>	 <u><u>\$18,862,544.92</u></u>	 <u><u>\$17,834,948.64</u></u>

The District's combined net position were \$18,862,544.92 on June 30, 2017. Table 2 shows changes in net position for fiscal years 2017 and 2016. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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*Table 2* shows changes in net position for fiscal year 2017.

**Changes in Net Position**

<b>Revenues</b>	<b>2017</b>	<b>2016</b>
Program Revenues:		
Charges for Services	\$298,058.97	\$266,245.36
Operating Grants and Contributions	5,387,292.94	3,962,538.79
General Revenues:		
Property Taxes	15,302,708.00	14,946,278.00
Grants and Entitlements	47,766.00	850,191.27
Other	27,963.49	(90,611.17)
	<u>21,063,789.40</u>	<u>19,934,642.25</u>
<b>Program Expenses</b>		
Instruction	11,579,056.15	10,243,196.54
Support Services:		
Pupils and Instructional Staff	3,136,739.39	3,338,571.20
General and School Administration and Business Operations and		
Maintenance	3,883,851.03	3,611,852.65
Pupil Transportation	463,058.58	450,871.91
Business Type Activities	159,676.00	225,638.01
Other	813,811.98	813,604.63
	<u>20,036,193.12</u>	<u>18,683,734.94</u>
Total Expenses		
	<u>20,036,193.12</u>	<u>18,683,734.94</u>
Change in Net Position	<u>\$1,027,596.28</u>	<u>\$1,250,907.30</u>

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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UNAUDITED**

**Governmental Activities**

The nature of funding public schools primarily through property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District budget. Property taxes made up 73 percent of revenues for governmental activities for the Woodcliff Lake School District for fiscal year 2017. Property tax revenues increased by \$356,430.00, which is a 2 percent increase over the prior year. The District's total revenues were \$21,063,789.40 for the year ended June 30, 2017.

Instruction comprises 58 percent of district expenses. Support Services costs make up 42 percent of the total expenditures.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. **Table 3** shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<b>Total Cost of Services 2017</b>	<b>Total Cost of Services 2016</b>	<b>Net Cost of Services 2017</b>	<b>Net Cost of Services 2016</b>
Instruction	\$11,579,056.15	\$10,243,196.54	\$7,380,755.01	\$7,143,432.49
Support Services:				
Pupils and Instructional Staff	3,136,739.39	3,338,571.20	2,329,336.61	2,772,365.13
General and School Administration and Business and Maintenance	3,883,851.03	3,611,852.65	3,454,754.74	3,310,940.97
Pupil Transportation	463,058.58	450,871.91	442,352.58	431,824.91
Business Type Activities	159,676.00	225,638.01	(70,169.71)	(17,217.35)
Other	813,811.98	813,604.63	813,811.98	813,604.63
<b>Total Expenses</b>	<u>\$20,036,193.12</u>	<u>\$18,683,734.94</u>	<u>\$14,350,841.21</u>	<u>\$14,454,950.78</u>

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students.

General administration, school administration and central services include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective condition and providing for the safety and security for all members of the school community while on school property.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services.

Pupil transportation includes activities associated with the conveyance of both regular education and special education students to and from school, school activities and athletic events, as provided by state law.

Extracurricular activities include expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the school district.

The School District relies mainly upon tax revenues to function. The community, as a whole, is the primary support for the Woodcliff Lake School District

**Business-Type Activities**

Revenue for the District's business-type activities was comprised of the Food Service Program and After the Bell Program. *Table 4* represents the change in net position for these activities. Overall business type revenues exceeded expenses by \$71,401.42.

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

**Table 4  
Changes in Net Position  
Business-Type Activities**

<b>Revenues</b>	<b>2017</b>	<b>2016</b>
Program Revenues:		
Charges for services	\$229,845.71	\$242,855.36
Other	<u>1,231.71</u>	<u>898.83</u>
Total Revenues	\$231,077.42	\$243,754.19
 <b>Program Expenses</b>		
Services	<u>\$159,676.00</u>	<u>\$225,638.01</u>
Total Expenses	\$159,676.00	\$225,638.01
<b>Increase / (Decrease) in Net Position</b>	\$ 71,401.42	\$ 18,116.18

**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 \$17,829,072.98 and expenditures and financing uses were \$17,047,534.05

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
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As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal year ended June 30, 2017 and the amount and percentage of increase and decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2016</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$15,417,203.04	86.47%	\$426,221.55	2.84%
State Sources	2,223,378.94	12.47%	(640,121.12)	-22.35%
Federal Sources	<u>188,491.00</u>	<u>1.06%</u>	<u>(6,949.00)</u>	<u>-3.56%</u>
Total	<u>\$17,829,072.98</u>	<u>100.00%</u>	<u>(\$220,848.57)</u>	<u>-0.40%</u>

Local revenues increased mainly due to a property tax increase needed to fund the additional expenditures associated with the instructional program and increased operating costs. Federal and State sources increased due to more grant funding.

The following schedule represents a summary of general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2017, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2016</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$6,054,189.29	35.51%	(\$7,359.25)	-0.12%
Support Services	10,551,739.86	61.90%	(2,136.25)	-0.02%
Capital Outlay	<u>441,604.90</u>	<u>2.59%</u>	<u>(1,495,018.20)</u>	<u>-77.20%</u>
Total	<u>\$17,047,534.05</u>	<u>100.00%</u>	<u>(\$1,504,513.70)</u>	<u>-2.80%</u>

**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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General Fund Budgeting Highlights

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

- Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts.

**Capital Assets**

At the end of the fiscal year 2017, the School District had \$18,223,136.76 invested in building, building improvements, furniture, equipment and vehicles. *Table 5* shows fiscal year 2017 balances compared to 2016.

**Table 5  
Capital Assets (Net of Depreciation) at June 30, 2017**

	<u>2017</u>	<u>2016</u>
Land	\$5,640,000.00	\$5,640,000.00
Land and Site Improvements	116,493.81	106,121.19
Building and Building Improvements	17,667,021.18	18,009,196.26
Machinery and Equipment	<u>439,621.77</u>	<u>407,789.72</u>
<b>Total</b>	<u><u>\$23,863,136.76</u></u>	<u><u>\$24,163,107.17</u></u>

Overall capital assets decreased \$299,970.41 from fiscal year 2016 to fiscal year 2017. The increase in capital assets is due primarily to new construction.



**WOODCLIFF LAKE BOARD OF EDUCATION  
WOODCLIFF LAKE, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Debt Administration**

At June 30, 2017, the School District had \$10,547,535.91 of outstanding long-term liabilities. Of this amount, \$295,000 is for compensated absences, \$12,354.91 is for capital leases, \$4,485,181.00 is pension related and \$5,755,000.00 is for serial bonds for school construction. For more detailed information on the District's long-term liabilities, please refer to the Notes to the Basic Financial Statements.

**For the Future**

The Woodcliff Lake School District is currently in sound financial condition. However, with reductions in State Aid and legislation restricting both spending and property tax increases, it is anticipated that a reduction in the educational program and increased class size could be necessary in order to comply with State mandated budget restraints. In addition, continual increases in fixed costs above the rate of inflation have forced a shifting of the burden to the local level. Yet, with all of the above challenges, the Woodcliff Lake School District continues to provide a quality education experience, improve the facilities and increase the use of technology. The Board of Education and Administration will continue to seek sound financial methods to insure that the operation of the school district remains efficient, while providing strong academic programming.

**Contacting the School District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Matthew Lynaugh, Business Administrator/Board Secretary, Woodcliff Lake Board of Education, - Woodcliff Lake, NJ 07677.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2017

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,915,546.17	\$ 323,562.85	\$ 4,239,109.02
Receivables, net	179,946.29		179,946.29
Restricted assets:			
Restricted cash and cash equivalents	458,625.07		458,625.07
Capital assets:			
Non Depreciable	5,640,000.00		5,640,000.00
Depreciable - Net	<u>18,223,136.76</u>		<u>18,223,136.76</u>
Total Assets	28,417,254.29	<u>323,562.85</u>	<u>28,740,817.14</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to pension	<u>1,529,310.00</u>		<u>1,529,310.00</u>
<b>LIABILITIES:</b>			
Accounts payable	198,624.12		198,624.12
Unearned revenue	15,300.00		15,300.00
Accrued Interest payable	75,496.88		75,496.88
Noncurrent liabilities:			
Due within one year	505,785.15		505,785.15
Due beyond one year	5,556,569.76		5,556,569.76
Net Pension Liability	<u>4,485,181.00</u>		<u>4,485,181.00</u>
Total liabilities	10,836,956.91		10,836,956.91
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to pension	344,947.00		344,947.00
Gain on Refunding of Long-Term Debt	<u>225,678.31</u>		<u>225,678.31</u>
	570,625.31		570,625.31
<b>NET POSITION:</b>			
Net investment in capital assets	17,870,103.54		17,870,103.54
Restricted for:			
Capital projects	2,050,000.00		2,050,000.00
Debt service (deficit)	(75,496.88)		(75,496.88)
Other purposes	2,053,173.72		2,053,173.72
Unrestricted (deficit)	<u>(3,358,798.31)</u>	<u>323,562.85</u>	<u>(3,035,235.46)</u>
Total net position	<u>\$ 18,538,982.07</u>	<u>\$ 323,562.85</u>	<u>\$ 18,862,544.92</u>

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

BOROUGH OF WOODCLIFF SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2017

Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Programs Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
						Governmental Activities	Business-type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 4,344,087.03	\$ 3,764,695.72	\$ 68,213.26	\$ 2,742,959.81	\$	\$ (5,297,609.68)	\$	\$ (5,297,609.67)
Special	1,603,810.21	577,437.67		622,695.00		(1,558,552.88)		(1,558,552.88)
Other Instruction	116,751.05	1,172,274.47		764,433.07		(524,592.46)		(524,592.46)
Support services:								
Tuition	389,313.90					(389,313.90)		(389,313.90)
Student & instruction related services	2,114,155.67	633,269.82		807,402.78		(1,940,022.71)		(1,940,022.71)
General administrative services	370,821.75	176,137.59		103,087.87		(443,871.47)		(443,871.47)
School administrative services	442,029.32	375,933.60		206,335.61		(611,627.31)		(611,627.31)
Central services	418,408.43	282,300.84		119,672.80		(581,036.47)		(581,036.47)
Plant operations and maintenance	1,591,662.93	226,556.56		20,706.00		(1,818,219.49)		(1,818,219.49)
Pupil transportation	187,300.75	275,757.83				(442,352.58)		(442,352.58)
Unallocated benefits	7,387,087.11	(7,387,087.11)						
Interest on Long-Term Debt	196,948.66					(196,948.66)		(196,948.66)
Unallocated depreciation	714,140.31	(97,276.99)				(616,863.32)		(616,863.32)
Total governmental activities	19,876,517.12		68,213.26	5,387,292.94		(14,421,010.92)		(14,421,010.92)
Business-type activities								
Food Service	9,671.41		9,943.92				272.51	272.51
After the Bell	150,004.59		219,901.79				69,897.20	69,897.20
Total business-type activities	159,676.00		229,845.71				70,169.71	70,169.71
Total primary government	\$ 20,036,193.12		\$ 298,058.97	\$ 5,387,292.94		\$ (14,421,010.92)	\$ 70,169.71	\$ (14,350,841.21)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes, net						\$ 14,394,136.00	\$	\$ 14,394,136.00
Taxes levied for debt service						908,572.00		908,572.00
Federal and state aid not restricted						35,706.00		35,706.00
Federal and state aid restricted						12,060.00		12,060.00
Miscellaneous income						26,731.78	1,231.71	27,963.49
Total general revenues						15,377,205.78	1,231.71	15,378,437.49
Change in Net Position						956,194.86	71,401.42	1,027,596.28
Net Position- beginning						17,582,787.21	252,161.43	17,834,948.64
Net Position ending						18,538,982.07	323,562.85	18,862,544.92

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

**MAJOR FUND FINANCIAL STATEMENTS**

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,865,546.17	\$ 2,050,000.00	\$ 3,915,546.17
Cash, capital reserve	458,625.07		458,625.07
Receivables from other governments	<u>179,946.29</u>		<u>179,946.29</u>
 Total assets	 <u>\$ 2,504,117.53</u>	 <u>\$ 2,050,000.00</u>	 <u>\$ 4,554,117.53</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Accounts payable	\$ 63,415.12	\$	\$ 63,415.12
Unearned revenue	<u>15,300.00</u>		<u>15,300.00</u>
 Total liabilities	 <u>78,715.12</u>		 <u>78,715.12</u>
Fund balances:			
Restricted for:			
Capital reserve	1,013,211.14		1,013,211.14
Maintenance reserve	836,336.00		836,336.00
Capital projects fund		2,050,000.00	2,050,000.00
Assigned for year-end encumbrances	103,626.58		103,626.58
Assigned for subsequent years expenditures	100,000.00		100,000.00
Unassigned:			
General fund	<u>372,228.69</u>		<u>372,228.69</u>
 Total fund balances	 <u>2,425,402.41</u>	 <u>2,050,000.00</u>	 <u>4,475,402.41</u>
 Total liabilities and fund balances	 <u>\$ 2,504,117.53</u>	 <u>\$ 2,050,000.00</u>	 <u>\$ 4,554,117.53</u>

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

Total Fund Balances (Brought Forward)		\$4,475,402.41
<p>Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets		\$34,315,175.30
Accumulated Depreciation		<u>(10,452,038.54)</u>
		23,863,136.76
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net Pension Liability		(4,485,181.00)
Compensated Absences		(295,000.00)
Bonds Payable	(\$5,755,000.00)	
Unamortized of Refunding Bond Premium	<u>(225,678.31)</u>	
		(5,980,678.31)
Capital Leases		<u>(12,354.91)</u>
		(10,773,214.22)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		1,529,310.00
Deferred Inflows:		
Pension related		(344,947.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Related to Pension		(135,209.00)
Accrued Interest Payable		<u>(75,496.88)</u>
		<u>(210,705.88)</u>
Net Position of Governmental Activities		<u><u>\$18,538,982.07</u></u>

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



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 14,394,136.00	\$	\$	\$ 908,572.00	\$ 15,302,708.00
Interest earned on capital reserve	8,791.62				8,791.62
Tuition	68,213.26				68,213.26
Miscellaneous	17,940.16	19,550.00			37,490.16
<b>Total - local sources</b>	<b>14,489,081.04</b>	<b>19,550.00</b>		<b>908,572.00</b>	<b>15,417,203.04</b>
State sources	2,211,318.94			12,060.00	2,223,378.94
Federal sources		188,491.00			188,491.00
<b>Total revenues</b>	<b>16,700,399.98</b>	<b>208,041.00</b>		<b>920,632.00</b>	<b>17,829,072.98</b>
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	4,333,628.03				4,333,628.03
Special instruction	1,443,324.21	160,486.00			1,603,810.21
Other Instruction	88,746.05	28,005.00			116,751.05
Support services:					
Tuition	389,313.90				389,313.90
Student and instruction related services	2,114,155.67				2,114,155.67
General administrative services	370,821.75				370,821.75
School administrative services	442,029.32				442,029.32
Central services	418,408.43				418,408.43
Plant operations and maintenance	1,591,662.93				1,591,662.93
Pupil transportation	187,300.75				187,300.75
Unallocated benefits	4,117,415.11				4,117,415.11
Debt Service:					
Principal				700,000.00	700,000.00
Interest				220,632.00	220,632.00
Capital outlay	145,026.05	19,550.00	277,028.85		441,604.90
<b>Total expenditures</b>	<b>15,641,832.20</b>	<b>208,041.00</b>	<b>277,028.85</b>	<b>920,632.00</b>	<b>17,047,534.05</b>
Excess (deficiency) of revenues over (under) expenditures	1,058,567.78		(277,028.85)		781,538.93
Other financing sources (uses):					
Transfer to capital reserve	97,089.91		(97,089.91)		
Transfer to capital projects fund	(2,050,000.00)		2,050,000.00		
<b>Total other financing sources (uses)</b>	<b>(1,952,910.09)</b>		<b>1,952,910.09</b>		
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(894,342.31)		1,675,881.24		781,538.93
Fund balances, July 1, 2016	3,319,744.72	-0-	374,118.76		3,693,863.48
Fund balances, June 30, 2017	\$ 2,425,402.41	\$ -0-	\$ 2,050,000.00	\$	\$ 4,475,402.41

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total net change in fund balances - governmental funds (from B-2)	\$	781,538.93
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense	\$	(714,140.31)
Capital outlays		441,604.90
Less: Capital outlays not capitalized		<u>(27,435.00)</u>
		(299,970.41)
<p>Long-term debt issued is an other financing source in the governmental funds and increases governmental funds fund balance, but in the statement of activities the issuance of long term debt increases long term liabilities and is not reported on the statement of activities:</p>		
Unearned Amount on Refunding Bond Payments to Escrow Agent, net		17,514.32
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of capital lease payable		10,904.90
Payment of bonds payable		700,000.00
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. An decrease in accrued interest is a addition in the reconciliation while a decrease in accrued interest is an addition.</p>		
		7,240.12
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions		134,536.00
Less: Pension expense		<u>(400,569.00)</u>
		(266,033.00)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>5,000.00</u>
Change in net position of governmental activities	\$	<u><u>956,194.86</u></u>

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

**OTHER FUNDS**

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS-ENTERPRISE FUNDS  
JUNE 30, 2017

	FOOD SERVICE FUND (NON-MAJOR) <u>TOTAL</u>	AFTER THE BELL FUND (MAJOR) <u>TOTAL</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ <u>1,546.00</u>	\$ <u>322,016.85</u>	\$ <u>323,562.85</u>
Total current assets	<u>1,546.00</u>	<u>322,016.85</u>	<u>323,562.85</u>
Total assets	<u>\$ <u>1,546.00</u></u>	<u>\$ <u>322,016.85</u></u>	<u>\$ <u>323,562.85</u></u>
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ _____	\$ _____	\$ _____
Total current liabilities	_____	_____	_____
Total liabilities	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
NET POSITION:			
Unrestricted	\$ <u>1,546.00</u>	\$ <u>322,016.85</u>	\$ <u>323,562.85</u>
Total net position	<u>\$ <u>1,546.00</u></u>	<u>\$ <u>322,016.85</u></u>	<u>\$ <u>323,562.85</u></u>

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS-ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	FOOD SERVICE FUND (NON-MAJOR) TOTAL	AFTER THE BELL FUND (MAJOR) TOTAL	TOTAL
<b>OPERATING REVENUES:</b>			
Charges for services:			
After-care fees	\$	\$ 219,901.79	\$ 219,901.79
Daily sales	9,943.92		9,943.92
Total operating revenues	9,943.92	219,901.79	229,845.71
<b>OPERATING EXPENSES:</b>			
Salaries	4,526.09	148,390.88	152,916.97
Miscellaneous	91.00	1,613.71	1,704.71
Cost of sales	5,054.32		5,054.32
Total operating expenses	9,671.41	150,004.59	159,676.00
Operating Income	272.51	69,897.20	70,169.71
Interest and investment income		1,231.71	1,231.71
Total non-operating revenues		1,231.71	1,231.71
Change in net position	272.51	71,128.91	71,401.42
Total net position - beginning	1,273.49	250,887.94	252,161.43
Total net position - ending	\$ 1,546.00	\$ 322,016.85	\$ 323,562.85

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
COMBINING SCHEDULE OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	FOOD SERVICE FUND (NON-MAJOR) TOTAL	AFTER THE BELL FUND (MAJOR) TOTAL	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$ 9,943.92	\$ 219,901.79	\$ 229,845.71
Payments to employees	(4,526.09)	(148,390.88)	(152,916.97)
Payments to suppliers	(5,145.32)	(1,613.71)	(6,759.03)
Net cash provided by (used for) operating activities)	<u>272.51</u>	<u>69,897.20</u>	<u>70,169.71</u>
Cash flows from investing activities:			
Interest on investments		<u>1,231.71</u>	<u>1,231.71</u>
Net cash provided by (used for) investing activities		<u>1,231.71</u>	<u>1,231.71</u>
Net increase (decrease) in cash and cash equivalents	<u>272.51</u>	<u>71,128.91</u>	<u>71,401.42</u>
Cash and cash equivalents, July 1, 2016	<u>1,306.82</u>	<u>250,887.94</u>	<u>252,194.76</u>
Cash and cash equivalents, June 30, 2017	\$ <u>1,579.33</u>	\$ <u>322,016.85</u>	\$ <u>323,596.18</u>
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating income (loss)	\$ <u>272.51</u>	\$ <u>69,897.20</u>	\$ <u>70,169.71</u>
Net cash provided by (used for) operating activities	\$ <u><u>272.51</u></u>	\$ <u><u>69,897.20</u></u>	\$ <u><u>70,169.71</u></u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>State Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$	\$ 301,385.12
Intrafund receivable	8,257.16	
	<u>8,257.16</u>	<u>301,385.12</u>
<b>Total Assets</b>	<b>\$ <u>8,257.16</u></b>	<b>\$ <u>301,385.12</u></b>
<b>LIABILITIES:</b>		
Payroll deductions and withholdings		\$ 211,914.98
Intrafund Payable		8,257.16
Due to student groups		81,212.98
		<u>81,212.98</u>
<b>Total liabilities</b>		<b>\$ <u>301,385.12</u></b>
<b>NET POSITION:</b>		
Held in trust for unemployment claims and other purposes	\$	<u>8,257.16</u>

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

		<u>State Unemployment Compensation Trust Fund</u>
ADDITIONS:		
Contributions:		
Other	\$	<u>59,430.06</u>
Total contributions		<u>59,430.06</u>
Total additions		<u>59,430.06</u>
DEDUCTIONS:		
Unemployment claims		<u>58,967.01</u>
Total deductions		<u>58,967.01</u>
Change in net position		463.05
Net position beginning of year		<u>7,794.11</u>
Net position end of year	\$	<u><u>8,257.16</u></u>

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



**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The School District is a Type II District located in Bergen County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the District, comprised of seven elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary school and one middle school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting**

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

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds**

**General Fund** The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

**Special Revenue Fund** The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are restricted or committed to expenditures for specified purposes.

**Capital Projects Funds** The capital projects fund is used to account for and report all financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities or other capital assets.

**Debt Service Fund** The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Funds**

**Enterprise Fund** The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service and After the Bell program operations. Enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Funds**

**Agency Funds** The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

**Payroll and Student Activities Funds** These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Private Purpose Trust Funds** These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

**Unemployment Insurance Trust Funds** An expendable trust fund used to account for unemployment compensation claims as they arise.

**Basis of Accounting-Measurement Focus**

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 totaled \$160,000.00, representing a transfer from Maintenance Reserve.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of deferred State Aid payments for budgetary purposes only and the accounting treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized 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 records.

**Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	1

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Unearned Revenue**

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

**Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities are reported on the district-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.



**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance**

The District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve and Maintenance Reserve as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unassigned fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

**Revenues Exchange and Non-Exchange Transactions**

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues - Exchange and Non-Exchange Transactions**

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

**Proprietary Fund Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service and charges for the After the Bell program. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates**

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

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

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

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

**Accounting and Financial Reporting for 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. 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 the year end net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both a revenue and expenses for this pension contribution.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

The District considers petty cash, change funds, cash in banks, certificates of deposits, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at fair value.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>	
		<u>Deletions</u>	<u>Balance</u>
Governmental	\$5,125,875.51	\$751,704.27	\$4,374,171.24
Proprietary	323,598.77	35.92	323,562.85
Fiduciary	410,224.47	108,839.35	301,385.12
	<u>\$5,859,698.75</u>	<u>\$860,579.54</u>	<u>\$4,999,119.21</u>

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$5,859,698.75, \$250,000.00 was covered by Federal Depository Insurance and \$5,609,698.75 was covered under the provisions of NJGUDPA.

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2017, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 3: CAPITAL ASSETS**

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

	Beginning <u>Balance</u>	<u>Additions</u>	Transfers/ <u>Deletions</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$5,640,000.00	_____	_____	\$5,640,000.00
Total Capital Assets not being depreciated	<u>5,640,000.00</u>	_____	_____	<u>5,640,000.00</u>
Land and Site improvements	619,026.00	\$23,675.00		\$642,701.00
Buildings & Building Improvements	25,985,629.73	277,028.85		26,262,658.58
Machinery & Equipment	<u>1,660,280.67</u>	<u>113,466.05</u>	<u>(\$3,931.00)</u>	<u>1,769,815.72</u>
Totals at historical cost	<u>28,264,936.40</u>	<u>414,169.90</u>	<u>(3,931.00)</u>	<u>28,675,175.30</u>
Gross Assets (Memo only)	<u>33,904,936.40</u>	<u>414,169.90</u>	<u>(3,931.00)</u>	<u>34,315,175.30</u>
Less: Accumulated Depreciation				
Land and Site improvements	(512,904.81)	(13,302.38)		(526,207.19)
Buildings & Building Improvements	(7,976,433.47)	(619,203.93)		(8,595,637.40)
Machinery & Equipment	<u>(1,252,490.95)</u>	<u>(81,634.00)</u>	<u>3,931.00</u>	<u>(1,330,193.95)</u>
Total Depreciation	<u>(9,741,829.23)</u>	<u>(714,140.31)</u>	<u>3,931.00</u>	<u>(10,452,038.54)</u>
Total capital assets being depreciated, net of depreciation	<u>18,523,107.17</u>	_____	_____	<u>18,223,136.76</u>
Total Governmental Fund Activities	<u>\$24,163,107.17</u>	=====	=====	<u>\$23,863,136.76</u>



**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functional expenses areas of the District as follows:

Instruction:	
Regular	\$44,936.20
Support services:	
Student & instruction related services	4,477.88
General administrative services	1,415.55
School administrative services	6,542.61
Central Services/Technology	4,045.38
Plant operations and maintenance	35,859.37
Direct Expense of various functions	<u>616,863.32</u>
	<u>\$714,140.31</u>

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72., which funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2017:

	Balance, <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2017</u>	Due Within <u>One Year</u>
Bonds Payable	\$6,455,000.00		\$700,000.00	\$5,755,000.00	\$495,000.00
Net Pension Liability	3,505,956.00	\$979,225.00		4,485,181.00	
Compensated Absence	300,000.00		5,000.00	295,000.00	
Capital Leases Payable	<u>23,259.81</u>		<u>10,904.90</u>	<u>12,354.91</u>	<u>10,785.15</u>
Total	<u>\$10,284,215.81</u>	<u>\$979,225.00</u>	<u>\$715,904.90</u>	<u>\$10,547,535.91</u>	<u>\$505,785.15</u>

**Debt Capacity**

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2017, the District borrowing capacity under N.J.S. 18A:24-19 is as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2016	\$2,008,432,481
2015	2,020,252,853
2014	<u>1,933,222,289</u>
	<u>\$5,961,907,623</u>
Average equalized valuation	<u>\$1,987,302,541</u>
School borrowing margin (3% of \$1,987,302,541)	\$59,619,076
Net school debt as of June 30, 2017	<u>5,755,000</u>
School borrowing power available	<u>\$53,864,076</u>

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2017, including interest payments on issued debt, are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2018	\$495,000.00	\$201,325.00	\$696,325.00
FY2019	490,000.00	186,475.00	676,475.00
FY2020	485,000.00	171,775.00	656,775.00
FY2021	480,000.00	157,225.00	637,225.00
FY2022	480,000.00	138,025.00	618,025.00
FY2023	480,000.00	118,825.00	598,825.00
FY2024	480,000.00	99,625.00	579,625.00
FY2025	480,000.00	80,425.00	560,425.00
FY2026	480,000.00	61,225.00	541,225.00
FY2027	470,000.00	46,825.00	516,825.00
FY2028	470,000.00	32,725.00	502,725.00
FY2029	465,000.00	16,275.00	481,275.00
	<u>\$5,755,000.00</u>	<u>\$1,310,750.00</u>	<u>\$7,065,750.00</u>

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2017</u>
\$7,045,000.00 in General Obligation Refunding Bonds dated February 15, 2013 due in remaining annual installments ranging Between \$465,000 and \$495,000 beginning Feb. 15, 2018 and ending February 15, 2029 with interest at various rates	<u>\$5,755,000.00</u>
	<u>\$5,755,000.00</u>

**Capital Leases Payable**

The District is leasing copiers totaling \$51,704.76 under capital leases. The capital leases are for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

<u>Fiscal Year Ended</u>	<u>Amount</u>
<u>June 30,</u>	
2018	\$11,206.99
2019	<u>1,603.00</u>
Total Minimum Lease Payments	12,809.99
Less: Amount Representing Interest	<u>455.08</u>
 Present Value of Lease Payments	 <u>\$12,354.91</u>

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 5: PENSION PLANS**

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

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

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

**Defined Contribution Retirement Program (DCRP)** The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements (Continued)** Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts).

**Three Year Trend Information for PERS**

Year Ended		Annual Pension Cost	Percentage of APC		Net Pension
<u>June 30,</u>		<u>(APC)</u>	<u>Contributed</u>		<u>Obligation</u>
2017	\$	134,536.00	100%	\$	137,062.33
2016		134,274.00	100%		134,274.00
2015		147,209.99	100%		147,209.00

During the fiscal year ended June 30, 2017, 2016, and 2015, the State of New Jersey contributed \$678,787.00, \$475,139.00 and \$253,655.00, respectively to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2017, 2016 and 2015, the State of New Jersey reimbursed the District \$450,289.94, \$452,464.79 and \$433,495.98 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.





**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(Continued)**

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

The \$135,209.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2018	\$237,181.00
2019	\$237,181.00
2020	\$286,711.00
2021	\$216,526.00
2022	\$71,555.00

**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 rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Long-Term Rate of Return (continued)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</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 U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	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%
	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Discount Rate (Continued)**

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the collective net pension liability to changes in the discount rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
District's proportionate share of the pension liability	\$5,496,065.00	\$4,485,181.00	\$3,650,608.00

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$49,010,085</u>
	<u>\$49,010,085</u>

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 June 30, 2015. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the proportion of the TPAF net pension liability associated with the District was .0623011925% which was an increase of .0040768697 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$3,682,426.00 for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**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%

**Mortality Rate**

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis 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.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's 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%
High Yield Bonds	2.00%	4.70%
US Equities Markets	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmlands	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

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

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.



**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS**

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. 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 the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016 there were 110,512 retirees eligible for 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 in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

The State will set the contribution rate based 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 Commission for the years ended June 30, 2017, 2016 and 2015 were, \$563,621.00, \$593,941.00 and \$499,716.00 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 Commission was not determined or made available by the State of New Jersey.

**NOTE 8: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position, with the exception of an ongoing matter with the contractor(s) hired to complete the capital expansion of the District's school buildings. As of the date of audit, there is not sufficient information to establish whether a loss has occurred as required by Statement of Financial Accounting Standards No. 5 and therefore, no amount is report herein.

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State grants received and expended in the 2016-2017 fiscal year were subject to the New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 10: RISK MANAGEMENT**

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

**Property and Liability Insurance**

The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**New Jersey Unemployment Compensation Insurance**

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

Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2017	\$34,483.44	\$24,946.62	\$58,967.01	\$8,257.16
2016	34,049.94	23,993.09	58,088.05	7,794.11
2015	30,906.34	23,247.02	53,849.06	7,839.13

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 11: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2017, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$295,000.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017 no liability existed for compensated absences in the proprietary fund.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 12: FUND BALANCE APPROPRIATED**

General Fund - Of the \$2,425,402.41 in General Fund Balance at June 30, 2017, \$103,626.58 has been assigned for encumbrances; \$1,013,211.14 has been restricted in the Capital Reserve Account; \$396,336.00 has been restricted for maintenance reserve; \$100,000.00 has been appropriated in the budget for the fiscal year ended June 30, 2017 and \$400,621.69 is unassigned.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

The designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

General Fund Expenditures Fiscal Year Ended June 30, 2017	\$15,641,832.20
Add: Transfer from Capital Reserve to Capital Projects Fund	2,050,000.00
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>(1,692,697.94)</u>
Adjusted General Fund Expenditures	\$15,999,134.26
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2016-17 General Fund Expenditures	319,982.69
Add: Allowable Adjustments	80,639.00
Maximum Unassigned Fund Balance	400,621.69
Actual Unassigned Fund Balance (Budgetary)	<u>400,621.69</u>
Excess Surplus	<u>\$ 0.00</u>

Based on the above calculation, there is no excess surplus for the fiscal year ended June 30, 2017.

**NOTE 14: COMMITMENTS**

The District has active construction projects as of June 30, 2017 which include additions and renovations at various schools. At June 30, 2017, the District has no commitments with contractors.

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 15: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance, July 1, 2016	\$ 2,402,743.54
Additions:	
Interest Earnings	8,791.62
Board Resolutions	554,586.07
Transfer from Capital Projects Fund	97,089.91
Withdrawals:	
Transfer to Capital Projects Fund	<u>(2,050,000.00)</u>
Balance, June 30, 2017	\$ <u>1,013,211.14</u>

**Woodcliff Lake School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2017**

**NOTE 16: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the District for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A. 18A:7G-9). The passage of S1701 also impacts deposits into maintenance reserve. EFCFA requires that upon the district completion of school facilities project, the district must submit a plan for the maintenance of that facility. The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 year is as follows:

Balance, July 1, 2016	\$396,336.00
Additions:	
Board Resolutions	600,000.00
Withdrawals:	
Board Resolutions	<u>(160,000.00)</u>
Balance, June 30, 2017	<u>\$836,336.00</u>

**NOTE 17: INTERFUND RECEIVABLES AND PAYABLES**

There were no interfund balances that remained on the balance sheet at June 30, 2017.

**NOTE 18: SUBSEQUENT EVENTS**

The District has evaluated material subsequent events occurring after the financial statement date through October 18, 2017 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – Part II**



**BUDGETARY COMPARISON SCHEDULES**

WOODCLIFF LAKE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 14,394,136.00	\$	\$ 14,394,136.00	\$ 14,394,136.00	\$
Interest earned on capital reserve funds	2,500.00		2,500.00	8,791.62	6,291.62
Tuition	31,000.00		31,000.00	68,213.26	37,213.26
Unrestricted Miscellaneous Revenues	5,000.00		5,000.00	17,940.16	12,940.16
<b>Total-local sources</b>	<b>14,432,636.00</b>		<b>14,432,636.00</b>	<b>14,489,081.04</b>	<b>56,445.04</b>
State sources:					
Extraordinary aid	76,605.00		76,605.00	154,982.00	78,377.00
Categorical special education aid	311,334.00		311,334.00	311,334.00	
Categorical security aid	13,256.00		13,256.00	13,256.00	
Categorical transportation aid	18,444.00		18,444.00	18,444.00	
Other State Aid	22,450.00		22,450.00	24,712.00	2,262.00
On-behalf TPAF Contributions-non-budgeted				652,780.00	652,780.00
NCGI-non-budgeted				23,652.00	23,652.00
Long-Term Disability Insurance				2,355.00	2,355.00
Post Retirement Medical-non budgeted				563,621.00	563,621.00
Reimbursed TPAF Social Security Contribution-non-budgeted				450,289.94	450,289.94
<b>Total - state sources</b>	<b>442,089.00</b>		<b>442,089.00</b>	<b>2,215,425.94</b>	<b>1,773,336.94</b>
<b>Total revenues</b>	<b>14,874,725.00</b>		<b>14,874,725.00</b>	<b>16,704,506.98</b>	<b>1,829,781.98</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	376,271.00	(46,219.00)	330,052.00	301,167.80	28,884.20
Grades 1-5	2,064,109.00	(184,066.00)	1,880,043.00	1,868,526.62	11,516.38
Grades 6-8	1,805,079.00	1,000.00	1,806,079.00	1,788,994.17	17,084.83
Regular Programs - Home Instruction:					
Salaries of teachers	17,420.00	(10,000.00)	7,420.00	360.00	7,060.00
Regular programs - undistributed instruction:					
Salaries of secretarial and clerical assistants		21,249.00	21,249.00	20,763.37	485.63
Other salaries for instruction	24,703.00	(19,768.00)	4,935.00	4,934.40	0.60
Purchased Professional-Educational Services	7,987.00		7,987.00	4,276.40	3,710.60
Other Purchased Services (400-500 series)	125,000.00	20,750.00	145,750.00	130,587.90	15,162.10
General supplies	267,240.81	(27,408.00)	239,832.81	213,317.37	26,515.44
Textbooks	14,615.00	(3,558.00)	11,057.00	11,057.00	
Other Objects	800.00		800.00	700.00	100.00
<b>Total regular programs</b>	<b>4,703,224.81</b>	<b>(248,020.00)</b>	<b>4,455,204.81</b>	<b>4,333,628.03</b>	<b>121,576.78</b>
Special Education Instruction:					
Learning and/or language disabilities:					
Salaries of teachers	165,460.00	(5,330.00)	160,130.00	160,128.67	1.33
Other salaries for instruction	12,000.00	131,355.00	143,355.00	136,454.79	6,900.21
<b>Total Learning and/or language disabilities</b>	<b>177,460.00</b>	<b>126,025.00</b>	<b>303,485.00</b>	<b>296,583.46</b>	<b>6,901.54</b>
Resource room:					
Salaries of teachers	688,388.00	200,672.00	889,060.00	884,734.72	4,325.28
General supplies	11,300.00	250.00	11,550.00	11,365.18	184.82
<b>Total resource room</b>	<b>699,688.00</b>	<b>200,922.00</b>	<b>900,610.00</b>	<b>896,099.90</b>	<b>4,510.10</b>
Preschool disabilities - part-time:					
Salaries of teachers	157,648.00		157,648.00	156,760.49	887.51
Other salaries for instruction	139,025.00	(43,500.00)	95,525.00	93,060.95	2,464.05
General supplies	1,600.00	(500.00)	1,100.00	819.41	280.59
<b>Total preschool disabilities - part-time</b>	<b>298,273.00</b>	<b>(44,000.00)</b>	<b>254,273.00</b>	<b>250,640.85</b>	<b>3,632.15</b>
<b>Total special education</b>	<b>1,175,421.00</b>	<b>282,947.00</b>	<b>1,458,368.00</b>	<b>1,443,324.21</b>	<b>15,043.79</b>

WOODCLIFF LAKE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic skills/remedial:					
Salaries of teachers	\$ 25,228.00	\$	\$ 25,228.00	\$	\$ 25,228.00
General Supplies	2,000.00	(1,000.00)	1,000.00		1,000.00
Textbooks	1,000.00		1,000.00		1,000.00
Total basic skills/remedial	28,228.00	(1,000.00)	27,228.00		27,228.00
Bilingual education:					
Salaries of teachers	9,236.00		9,236.00	9,235.60	0.40
General supplies	181.00		181.00		181.00
Total bilingual education	9,417.00		9,417.00	9,235.60	181.40
School sponsored cocurricular activities:					
Salaries	49,005.00		49,005.00	45,942.50	3,062.50
Purchased services (300-500 series)	4,500.00		4,500.00	3,695.00	805.00
Supplies and Materials	1,800.00		1,800.00	845.60	954.40
Total school sponsored cocurricular activities	55,305.00		55,305.00	50,483.10	4,821.90
School sponsored athletics:					
Salaries	19,950.00	4,853.00	24,803.00	24,002.50	800.50
Purchased services (300-500 series)	3,600.00		3,600.00		3,600.00
Supplies and Materials	4,955.00	70.00	5,025.00	5,024.85	0.15
Total school sponsored athletics	28,505.00	4,923.00	33,428.00	29,027.35	4,400.65
Total other instructional programs	121,455.00	3,923.00	125,378.00	88,746.05	36,631.95
Total - instruction	6,000,100.81	38,850.00	6,038,950.81	5,865,698.29	173,252.52
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-special	73,936.00	(50,000.00)	23,936.00		23,936.00
Tuition to CSSD and regional day schools	9,064.00		99,290.00	69,036.00	30,318.00
Tuition to private schools for the handicapped w/in state	481,416.00	(125,290.00)	356,126.00	320,277.90	35,848.10
Tuition to private schools for the handicapped o/s state		35,000.00	35,000.00		35,000.00
Total undistributed expenditures - instruction	564,416.00	(50,000.00)	514,416.00	389,313.90	125,102.10
Attendance services:					
Salaries	14,441.00	246.00	14,687.00	14,686.89	0.11
Total attendance services	14,441.00	246.00	14,687.00	14,686.89	0.11
Health services:					
Salaries	139,410.00	(10,812.00)	128,598.00	128,381.90	216.10
Purchased Professional Services	5,097.00		5,097.00	5,067.00	30.00
Supplies and materials	4,062.00		4,062.00	2,677.21	1,384.79
Other Objects	374.00	(174.00)	200.00	173.50	26.50
Total health services	148,943.00	(10,986.00)	137,957.00	136,299.61	1,657.39
Other support services - speech, OT, PT & related services:					
Salaries	317,894.00		317,894.00	299,367.30	18,526.70
Purchased Professional - Educational Services	158,806.00	(12,250.00)	146,556.00	143,879.18	2,676.82
Supplies and materials	2,600.00		2,600.00	2,523.38	76.62
Total other support services - speech, OT, PT & related services	479,300.00	(12,250.00)	467,050.00	445,769.86	21,280.14

WOODCLIFF LAKE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services- Students- Extra Services					
Salaries	\$ 546,680.00	\$ (87,500.00)	\$ 459,180.00	\$ 439,311.92	\$ 19,868.08
Purchased Professional - Educational Services	121,821.00	(4,314.00)	117,507.00	78,347.00	39,160.00
<b>Total other support services - Students - Extra Services</b>	<b>668,501.00</b>	<b>(91,814.00)</b>	<b>576,687.00</b>	<b>517,658.92</b>	<b>59,028.08</b>
Guidance:					
Salaries of other professional staff	193,159.00	7,426.00	200,585.00	200,583.75	1.25
Other Purchased Professional and Technical Services	6,580.00		6,580.00	5,655.00	925.00
Supplies and Materials	3,468.00	(740.00)	2,728.00	2,486.16	241.84
<b>Total Guidance</b>	<b>203,207.00</b>	<b>6,686.00</b>	<b>209,893.00</b>	<b>208,724.91</b>	<b>1,168.09</b>
Child Study Teams:					
Salaries of other professional staff	403,232.00		403,232.00	391,335.17	11,896.83
Salaries of secretarial and clerical assistants	53,532.00	262.00	53,794.00	53,793.12	0.88
Salaries of Instruction Assistant	43,028.00		43,028.00	42,371.20	656.80
Other Purchased Professional and Technical Services	14,800.00	3,600.00	18,400.00	16,168.87	2,231.13
Supplies and Materials	3,700.00		3,700.00	3,497.01	202.99
Other objects	500.00	(150.00)	350.00	350.00	
<b>Total other support services - students - special services</b>	<b>518,792.00</b>	<b>3,712.00</b>	<b>522,504.00</b>	<b>507,515.37</b>	<b>14,988.63</b>
Improvement of instruction services/ other support services-instructional staff:					
Salaries of other professional staff	92,763.00		92,763.00	92,250.00	513.00
Other objects	500.00		500.00	149.00	351.00
<b>Total improvement of instruction services/ other support services-instructional staff</b>	<b>93,263.00</b>		<b>93,263.00</b>	<b>92,399.00</b>	<b>864.00</b>
Educational media services/school library:					
Salaries	117,503.00	721.00	118,224.00	118,223.60	0.40
Other Purchased Services (400-500 series)	15,368.00	26,534.00	41,902.00	41,899.67	2.33
Supplies and Materials	27,211.00	(4,568.00)	22,643.00	15,323.60	7,319.40
Other objects	562.00		562.00	317.00	245.00
<b>Total educational media services/school library</b>	<b>160,644.00</b>	<b>22,687.00</b>	<b>183,331.00</b>	<b>175,763.87</b>	<b>7,567.13</b>
Instructional Staff Training Services:					
Purchased Professional-Educational Services	26,300.00	232.00	26,532.00	11,401.24	15,130.76
Supplies and Materials	5,543.00	4,048.00	9,591.00	3,936.00	5,655.00
<b>Total instructional staff training services</b>	<b>31,843.00</b>	<b>4,280.00</b>	<b>36,123.00</b>	<b>15,337.24</b>	<b>20,785.76</b>
Support services general administration:					
Salaries	226,112.00	624.00	226,736.00	226,735.62	0.38
Legal Services	35,000.00	31,328.00	66,328.00	48,283.23	18,044.77
Auditor fees	11,499.00		11,499.00	10,575.00	924.00
Communications/telephone	61,256.00	(1,500.00)	59,756.00	29,555.32	30,200.68
BOE other purchased services	19,710.00		19,710.00	12,216.11	7,493.89
Misc. purchased services (400-500)	14,853.00	1,500.00	16,353.00	15,816.15	536.85
General Supplies	3,128.00	2,489.00	5,617.00	5,616.27	0.73
BOE in - house training/meeting supplies	900.00		900.00		900.00
Miscellaneous expenditures	13,000.00	5,000.00	18,000.00	14,929.45	3,070.55
BOE membership dues and fees	9,006.00		9,006.00	7,094.60	1,911.40
<b>Total support services general administration</b>	<b>394,464.00</b>	<b>39,441.00</b>	<b>433,905.00</b>	<b>370,821.75</b>	<b>63,083.25</b>
Support services school administration:					
Salaries of principals/asst. principals	295,290.00	1.00	295,291.00	281,369.20	13,921.80
Salaries of secretarial and clerical assistants	144,806.00	3,379.00	148,185.00	148,183.78	1.22
Supplies and Materials	4,860.00	24,016.00	28,876.00	11,556.34	17,319.66
Other Objects	2,575.00	(1,235.00)	1,340.00	920.00	420.00
<b>Total support services school administration</b>	<b>447,531.00</b>	<b>26,161.00</b>	<b>473,692.00</b>	<b>442,029.32</b>	<b>31,662.68</b>

WOODCLIFF LAKE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central services					
Salaries	\$ 360,710.00	\$ 8,468.00	\$ 369,178.00	\$ 369,178.00	\$
Purchased professional services	18,751.00	17,000.00	35,751.00	10,814.47	24,936.53
Purchased technical services	20,588.00		20,588.00	17,400.14	3,187.86
Supplies and materials	7,751.00	5,000.00	12,751.00	5,409.58	7,341.42
Miscellaneous Expenditures	7,124.00	4,000.00	11,124.00	2,492.19	8,631.81
Total central services	414,924.00	34,468.00	449,392.00	405,294.38	44,097.62
Administrative Information Technology					
Salaries	2,000.00		2,000.00	2,000.00	
Other purchased services ( 400 - 500 series )	46,968.00		46,968.00	6,716.00	40,252.00
Supplies and materials	8,049.00	11,726.00	19,775.00	4,398.05	15,376.95
Total Administrative information technology	57,017.00	11,726.00	68,743.00	13,114.05	55,628.95
Required Maintenance for School Facilities:					
Salaries	43,328.00	2,945.00	46,273.00	46,272.36	0.64
Cleaning, Repair and Maintenance Services	56,438.00	81,345.00	137,783.00	129,656.54	8,126.46
General supplies	10,571.00	112,408.00	122,979.00	122,977.75	1.25
Total Allowable Maintenance for School Facilities	110,337.00	196,698.00	307,035.00	298,906.65	8,128.35
Custodial Services					
Salaries	273,952.00	(14,704.00)	259,248.00	250,773.80	8,474.20
Salaries of Safety Aides	45,313.00		45,313.00	43,722.62	1,590.38
Purchased professional and technical services	12,735.00	(5,800.00)	6,935.00	5,730.50	1,204.50
Cleaning, repair and maint. services	344,182.00	1,000.00	345,182.00	322,437.17	22,744.83
Other purchased property services	8,532.00		8,532.00	5,411.14	3,120.86
Insurance	94,053.00	(2,533.00)	91,520.00	91,520.00	
General supplies	53,673.12	70,282.00	123,955.12	123,424.85	530.27
Natural Gas	104,270.00	(21,876.00)	82,394.00	80,301.60	2,092.40
Electricity	278,326.00	(66,213.00)	212,113.00	212,112.66	0.34
Other objects	250.00	600.00	850.00	775.00	75.00
Total custodial services	1,215,286.12	(39,244.00)	1,176,042.12	1,136,209.34	39,832.78
Care and Upkeep of Grounds:					
Cleaning, repair and maint. services	14,918.00	129,596.00	144,514.00	144,513.27	0.73
General supplies	9,650.00	2,533.00	12,183.00	12,033.67	149.33
Total care and upkeep of grounds:	24,568.00	132,129.00	156,697.00	156,546.94	150.06
Student transportation services:					
Salaries for pupil transportation (between home and school)-regular	10,539.00	119.00	10,658.00	10,657.68	0.32
Transportation Aid-In-Lieu	20,052.00	(205.00)	19,847.00	12,539.54	7,307.46
Contracted services ( between home & school)-vendors	108,800.00	(2,000.00)	106,800.00	58,339.80	48,460.20
Contracted services (other than between home and school)-vendors	11,223.00	3,055.00	14,278.00	14,278.00	
Contracted services (special education students) - joint agreements	249,526.00		249,526.00	91,485.73	158,040.27
Total student transportation services	400,140.00	969.00	401,109.00	187,300.75	213,808.25
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	192,041.00		192,041.00	184,817.78	7,223.22
Other Retirement Contributions	180,000.00	(42,000.00)	138,000.00	137,062.33	937.67
Defined Contr. Retirement Plan	20,300.00		20,300.00	19,114.60	1,185.40
Unemployment Compensation	49,456.00		49,456.00	34,483.44	14,972.56
Workmen's Compensation	72,436.00	(18,091.00)	54,345.00	54,345.00	
Health Benefits	2,533,084.00	(227,159.00)	2,305,925.00	1,972,323.27	333,601.73
Tuition Reimbursements	21,000.00		21,000.00	17,570.75	3,429.25
Other Employee Benefits	15,000.00	10,000.00	25,000.00	5,000.00	20,000.00
Total Unallocated Benefits - Employee Benefits:	3,083,317.00	(277,250.00)	2,806,067.00	2,424,717.17	381,349.83

WOODCLIFF LAKE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued from prior page)	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-behalf TPAF contributions					
On-behalf TPAF Contributions-non-budgeted	\$	\$	\$	\$ 652,780.00	\$ (652,780.00)
NCGI-non-budgeted				23,652.00	(23,652.00)
Long-Term Disability Insurance				2,355.00	(2,355.00)
Post Retirement Medical-non budgeted				563,621.00	(563,621.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				450,289.94	(450,289.94)
Total On-behalf TPAF contributions				1,692,697.94	(1,692,697.94)
Total Undistributed Expenditures	9,030,934.12	(2,341.00)	9,028,593.12	9,631,107.86	(602,514.74)
TOTAL EXPENDITURES - CURRENT EXPENSE FUND	15,031,034.93	36,509.00	15,067,543.93	15,496,806.15	(429,262.22)
Equipment:					
Regular Programs - Instruction:					
Grades 1 - 5		4,125.00	4,125.00	4,125.00	
Grades 6 - 8		5,774.00	5,774.00	5,774.00	
Undistributed expenditures:					
Undistributed Expend. - General Admin		4,698.00	4,698.00	4,698.00	
Undistributed Expend. - Central Services		2,599.00	2,599.00	2,599.00	
Undistributed Expend. - Admin. Tech.		95,000.00	95,000.00	89,100.05	5,899.95
Undistributed Expend. - Cust. Svces.		6,700.00	6,700.00	6,700.00	
Undistributed Expend. - Upkeep of Grounds		4,595.00	4,595.00	4,595.00	
Total Equipment		123,491.00	123,491.00	117,591.05	5,899.95
Facilities acquisition and construction services:					
Facilities					
Construction services	2,500.00		2,500.00		2,500.00
Assessment for Debt Service on SDA Funding	27,435.00		27,435.00	27,435.00	
Total facilities acquis. and const. services	29,935.00		29,935.00	27,435.00	2,500.00
TOTAL CAPITAL OUTLAY	29,935.00	123,491.00	153,426.00	145,026.05	8,399.95
TOTAL EXPENDITURES	15,060,969.93	160,000.00	15,220,969.93	15,641,832.20	(420,862.27)
Excess (deficiency) of revenues over (under) expenditures	(186,244.93)	(160,000.00)	(346,244.93)	1,062,674.78	1,408,919.71
Other financing sources (uses)					
Transfer from capital projects fund				97,089.91	97,089.91
Capital Reserve - Transfer to Capital Projects Fund				(2,050,000.00)	(2,050,000.00)
Total other financing sources(uses)				(1,952,910.09)	(1,952,910.09)
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(186,244.93)	(160,000.00)	(346,244.93)	(890,235.31)	(543,990.38)
Fund balances, July 1	3,344,030.72		3,344,030.72	3,344,030.72	
Fund balances, June 30	\$ 3,157,785.79	\$ (160,000.00)	\$ 2,997,785.79	\$ 2,453,795.41	\$ (543,990.38)
Recapitulation:					
Assigned - year-end encumbrances				\$ 103,626.58	
Assigned - designated for subsequent years expenditures				100,000.00	
Restricted - capital reserve				1,013,211.14	
Restricted - maintenance reserve				836,336.00	
Unassigned				400,621.69	
				2,453,795.41	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(28,393.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,425,402.41	

WOODCLIFF LAKE BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
Federal sources	\$ 166,124.00	\$ 22,367.00	\$ 188,491.00	\$ 188,491.00	
Local sources		19,550.00	19,550.00	19,550.00	
Total revenues	<u>\$ 166,124.00</u>	<u>\$ 41,917.00</u>	<u>\$ 208,041.00</u>	<u>\$ 208,041.00</u>	
<b>EXPENDITURES:</b>					
Instruction:					
Purchased prof. & tech. services	\$	\$ 5,930.00	\$ 5,930.00	\$ 5,930.00	
Other purchased services	17,784.00	(17,784.00)			
Tuition	148,340.00	12,146.00	160,486.00	160,486.00	
Supplies		2,099.00	2,099.00	2,099.00	
Total instruction	<u>166,124.00</u>	<u>2,391.00</u>	<u>168,515.00</u>	<u>168,515.00</u>	
Support services:					
Purchased professional - educational services		16,718.00	16,718.00	16,718.00	
Other purchased services (400-500)		3,258.00	3,258.00	3,258.00	
Total support services		<u>19,976.00</u>	<u>19,976.00</u>	<u>19,976.00</u>	
Facilities acquisition and construction services:					
Instructional equipment		19,550.00	19,550.00	19,550.00	
Total facilities acquisition and construction serv.		<u>19,550.00</u>	<u>19,550.00</u>	<u>19,550.00</u>	
Total expenditures	<u>\$ 166,124.00</u>	<u>\$ 41,917.00</u>	<u>\$ 208,041.00</u>	<u>\$ 208,041.00</u>	

WOODCLIFF LAKE BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 16,704,506.98	\$ 208,041.00
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	24,286.00	
The Unearned State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(28,393.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 16,700,399.98</u>	<u>\$ 208,041.00</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 15,641,832.20	\$ 208,041.00
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 15,641,832.20</u>	<u>\$ 208,041.00</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

Borough of Woodcliff Lake School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employees Retirement System  
Last Ten Years

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0156934579%	\$ 2,999,332	\$ 1,169,414.00	256.48%	48.72%
2014	0.0177561331%	3,324,434	998,184.00	333.05%	52.08%
2015	0.0156181264%	3,505,956	1,026,526.00	341.54%	47.92%
2016	0.0151438725%	4,485,181	1,010,283.00	443.95%	40.14%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of Woodcliff Lake School District  
Schedule of the District's Contributions  
Public Employees Retirement System  
Last Ten Years

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 146,379	\$ 146,379	\$ -0-	\$ 1,169,414.00	12.52%
2015	134,274	134,274	-0-	998,184.00	13.45%
2016	134,536	134,536	-0-	1,026,526.00	13.11%
2017	135,209	135,209	-0-	1,010,283.00	13.38%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of Woodcliff Lake School District  
Teachers Pension and Annuity Fund  
Last Ten Years

<u>Measurement Date Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0608361207%	\$ -0-	\$ 5,804,811.00	-0-	33.76%
2014	0.0595809221%	-0-	6,225,877.00	-0-	33.64%
2015	0.0582243228%	-0-	6,043,131.00	-0-	28.71%
2016	0.0623011925%	-0-	6,443,388.00	-0-	22.33%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:      The discount rate changed from 4.90% to 3.98% as of  
June 30, 2016.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:      The discount rate changed from 4.13% to 3.22% as of  
June 30, 2016.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL SCHEDULES**



BOROUGH OF WOODCLIFF LAKE - SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	IDEA PART B BASIC	IDEA PART B PRESCHOOL	TITLE II	PFA EQUIP. DORCHESTER	TOTAL 2017
<b>REVENUES:</b>					
Federal sources	\$ 160,486.00	\$ 8,029.00	\$ 19,976.00	\$ 19,550.00	\$ 188,491.00
Local sources					19,550.00
Total revenues	160,486.00	8,029.00	19,976.00	19,550.00	208,041.00
<b>EXPENDITURES:</b>					
Instruction:					
Purchased professional and tech. services		5,930.00			5,930.00
Tuition	160,486.00				160,486.00
Supplies		2,099.00			2,099.00
Total instruction	160,486.00	8,029.00		-	168,515.00
Support services:					
Purchased prof. and ed. services			16,718.00		16,718.00
Other purchased services (400-500)			3,258.00		3,258.00
Total support services			19,976.00		19,976.00
Facilities acquisition and construction serv.:					
Instructional equipment				19,550.00	19,550.00
Total facilities acquisition and construction services				19,550.00	19,550.00
Total expenditures	160,486.00	8,029.00	19,976.00	19,550.00	208,041.00
Excess (deficiency) of revenues over (under) expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**CAPITAL PROJECTS FUND  
DETAIL SCHEDULES**

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS  
AS OF JUNE 30, 2017

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>PRIOR YEAR</u>	<u>EXPENDITURES TO DATE</u> <u>CURRENT YEAR</u>	<u>UNEXPENDED PROJECT BALANCE</u>
Dorchester Roof Replacement	11/17/2016	\$ 1,455,000.00	\$	\$	1,455,000.00
Boiler Replacement W.M.S.	1/19/2017	595,000.00			595,000.00
Dorchester Security System Upgrade	3/10/2016	24,993.00	12,496.50	12,496.50	
W.M.S Security System Upgrade	3/10/2016	36,386.61	17,764.35	18,622.26	
W.M.S. Cafeteria Floor	6/24/2016	162,500.00	1,500.00	161,000.00	
Dorchester Gym Roof	4/19/2016	182,000.00		182,000.00	
Totals		\$ 2,455,879.61	\$ 31,760.85	\$ 374,118.76	\$ 2,050,000.00

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017

Revenues and other Financing Sources		
Transfer from capital reserve	\$	<u>2,050,000.00</u>
Total revenues		<u>2,050,000.00</u>
Expenditures and Other Financing Uses		
Purchased professional and technical services	\$	6,396.00
Equipment purchases		30,100.85
Construction services		240,532.00
Transferred to capital reserve		<u>97,089.91</u>
Total expenditures		<u>374,118.76</u>
Excess (deficiency) of revenues over (under) expenditures		<u>1,675,881.24</u>
Excess (deficiency) of revenues over (under) expenditures		<u>1,675,881.24</u>
Fund Balance - beginning		<u>374,118.76</u>
Fund Balance - ending	\$	<u><u>2,050,000.00</u></u>
Reconciliation to GAAP Financial Statements:		
Fund Balance- Budgetary Basis (Exhibit F-2)	\$	<u>2,050,000.00</u>
Fund Balance- GAAP Basis (Exhibit B-1)	\$	<u><u>2,050,000.00</u></u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
DORCHESTER ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE 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	\$ _____	\$ 1,455,000.00	\$ 1,455,000.00	\$ 1,455,000.00
Total revenues	_____	1,455,000.00	1,455,000.00	1,455,000.00
Expenditures and Other Financing Uses				
Construction services	_____	_____	_____	1,455,000.00
Total expenditures	_____	_____	_____	1,455,000.00
Excess(deficiency) of revenues over (under) expenditures	\$ -	\$ 1,455,000.00	\$ 1,455,000.00	\$ -
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds issued				
Original Authorized Cost	\$ 1,455,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,455,000.00			
Percentage Increase over Original Authorized Cost	n/a			
Percentage Completion				
Original Target Completion Date	6/18			
Revised Target Completion Date				

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
DORCHESTER GYM ROOF  
FROM INCEPTION AND FOR THE 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	\$ 182,000.00	\$	\$ 182,000.00	\$ 182,000.00
Total revenues	<u>182,000.00</u>		<u>182,000.00</u>	<u>182,000.00</u>
Expenditures and Other Financing Uses				
Construction services		99,800.00	99,800.00	182,000.00
Transferred to capital reserve		<u>82,200.00</u>	<u>82,200.00</u>	
Total expenditures		<u>182,000.00</u>	<u>182,000.00</u>	<u>182,000.00</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 182,000.00</u>	<u>\$ (182,000.00)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds issued				
Original Authorized Cost	\$ 182,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 182,000.00			
Percentage Increase over Original Authorized Cost		n/a		
Percentage Completion		100%		
Original Target Completion Date		6/17		
Revised Target Completion Date		6/17		

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
BOILER REPLACEMENT  
FROM INCEPTION AND FOR THE 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	\$	\$ 595,000.00	\$ 595,000.00	\$ 595,000.00
Total revenues	-	595,000.00	595,000.00	595,000.00
Expenditures and Other Financing Uses				
Construction services			-	595,000.00
Total expenditures	-	-	-	595,000.00
Excess(deficiency) of revenues over (under) expenditures	\$	\$ 595,000.00	\$ 595,000.00	\$ -
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds issued				
Original Authorized Cost	\$	595,000.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	595,000.00		
Percentage Increase over Original Authorized Cost		n/a		
Percentage Completion		0.00%		
Original Target Completion Date		6/18		
Revised Target Completion Date				

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
DORCHESTER SECURITY SYSTEM UPGRADE  
FROM INCEPTION AND FOR THE 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	\$ 24,993.00	\$	\$ 24,993.00	\$ 24,993.00
Total revenues	<u>24,993.00</u>	<u></u>	<u>24,993.00</u>	<u>24,993.00</u>
Expenditures and Other Financing Uses				
Equipment purchases	<u>12,496.50</u>	<u>12,496.50</u>	<u>24,993.00</u>	<u>24,993.00</u>
Total expenditures	<u>12,496.50</u>	<u>12,496.50</u>	<u>24,993.00</u>	<u>24,993.00</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 12,496.50</u>	<u>\$ (12,496.50)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds issued				
Original Authorized Cost	\$ 24,993.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 24,993.00			
Percentage Increase over Original Authorized Cost		n/a		
Percentage Completion		100.00%		
Original Target Completion Date		6/17		
Revised Target Completion Date		6/17		



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
W.M.S SECURITY SYSTEM UPGRADE  
FROM INCEPTION AND FOR THE 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	\$ 36,386.61	\$	\$ 36,386.61	\$ 36,386.61
Total revenues	<u>36,386.61</u>	<u></u>	<u>36,386.61</u>	<u>36,386.61</u>
Expenditures and Other Financing Uses				
Equipment purchases	17,764.35	17,604.35	35,368.70	36,386.61
Transferred to capital reserve	<u></u>	<u>1,017.91</u>	<u>1,017.91</u>	<u></u>
Total expenditures	<u>17,764.35</u>	<u>18,622.26</u>	<u>36,386.61</u>	<u>36,386.61</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 18,622.26</u>	<u>\$ (18,622.26)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds issued				
Original Authorized Cost	\$ 36,386.61			
Additional Authorized Cost				
Revised Authorized Cost	\$ 36,386.61			
Percentage Increase over Original Authorized Cost	n/a			
Percentage Completion	100.00%			
Original Target Completion Date	6/17			
Revised Target Completion Date	6/17			

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS-BUDGETARY BASIS  
W.M.S CAFETERIA FLOOR  
FROM INCEPTION AND FOR THE 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	\$ 162,500.00	\$	\$ 162,500.00	\$ 162,500.00
Total revenues	<u>162,500.00</u>		<u>162,500.00</u>	<u>162,500.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,500.00	6,396.00	7,896.00	7,925.00
Construction services		140,732.00	140,732.00	154,575.00
Transferred to capital reserve		<u>13,872.00</u>	<u>13,872.00</u>	
Total expenditures	<u>1,500.00</u>	<u>161,000.00</u>	<u>162,500.00</u>	<u>162,500.00</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 161,000.00</u>	<u>\$ (161,000.00)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds issued				
Original Authorized Cost	\$ 162,500.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 162,500.00			
Percentage Increase over Original Authorized Cost		n/a		
Percentage Completion		100.00%		
Original Target Completion Date		6/17		
Revised Target Completion Date		6/17		

## PROPRIETARY FUND DETAIL SCHEDULES

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**FOOD SERVICES FUND:**

This fund provides for the operation of food services within the school district.

**AFTER THE BELL PROGRAM FUND:**

This fund provides for the operation of after school services within the school district.

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
COMBINING SCHEDULE OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>FOOD SERVICE FUND (NON-MAJOR) TOTAL</u>	<u>AFTER THE BELL FUND (MAJOR) TOTAL</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ <u>1,546.00</u>	\$ <u>322,016.85</u>	\$ <u>323,562.85</u>
Total current assets	<u>1,546.00</u>	<u>322,016.85</u>	<u>323,562.85</u>
Total assets	<u>1,546.00</u>	<u>322,016.85</u>	<u>323,562.85</u>
NET POSITION:			
Unrestricted	<u>1,546.00</u>	<u>322,016.85</u>	<u>323,562.85</u>
Total net position	<u>\$ 1,546.00</u>	<u>\$ 322,016.85</u>	<u>\$ 323,562.85</u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	FOOD SERVICE FUND (NON-MAJOR) TOTAL	AFTER THE BELL FUND (MAJOR) TOTAL	TOTAL
<b>OPERATING REVENUES:</b>			
Charges for services:			
After-Care Fees	\$ 9,943.92	\$ 219,901.79	\$ 219,901.79
Daily sales	9,943.92		9,943.92
Total operating revenues	9,943.92	219,901.79	229,845.71
<b>OPERATING EXPENSES:</b>			
Salaries	4,526.09	148,390.88	152,916.97
Miscellaneous	91.00	1,613.71	1,704.71
Cost of sales	5,054.32		5,054.32
Total operating expenses	9,671.41	150,004.59	159,676.00
Operating Income (Loss)	272.51	69,897.20	70,169.71
Interest and investment revenue		1,231.71	1,231.71
Total nonoperating revenues (expenses)	-	1,231.71	1,231.71
Change in net position	272.51	71,128.91	71,401.42
Total net position - beginning	1,273.49	250,887.94	252,161.43
Total net position - ending	\$ 1,546.00	\$ 322,016.85	\$ 323,562.85

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
COMBINING SCHEDULE OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	FOOD SERVICE FUND (NON-MAJOR) TOTAL	AFTER THE BELL FUND (MAJOR) TOTAL	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$ 9,943.92	\$ 219,901.79	\$ 229,845.71
Payments to employees	(4,526.09)	(148,390.88)	(152,916.97)
Payments to suppliers	(5,145.32)	(1,613.71)	(6,759.03)
Net cash provided by (used for) operating activities	<u>272.51</u>	<u>69,897.20</u>	<u>70,169.71</u>
Cash flows from investing activities:			
Interest on investments	<u>-</u>	<u>1,231.71</u>	<u>1,231.71</u>
Net cash provided by (used for) investing activities	<u>-</u>	<u>1,231.71</u>	<u>1,231.71</u>
Net increase (decrease) in cash and cash equivalents	272.51	71,128.91	71,401.42
Cash and cash equivalents, July 1, 2016	<u>1,306.82</u>	<u>250,887.94</u>	<u>252,194.76</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 1,579.33</u>	<u>\$ 322,016.85</u>	<u>\$ 323,596.18</u>
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating income (loss)	\$ <u>272.51</u>	\$ <u>69,897.20</u>	\$ <u>70,169.71</u>
Net cash provided by (used for) operating activities	<u>\$ 272.51</u>	<u>\$ 69,897.20</u>	<u>\$ 70,169.71</u>

**FIDUCIARY FUNDS DETAIL STATEMENTS AND SCHEDULES**

**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

**Agency Funds are used to account for assets held by the district as an agent for another party:**

- |  |  |
|--|--|
| <b>Student Activity Fund :</b>                         | This agency fund is used to account for student funds held at the schools.               |
| <b>Payroll Fund:</b>                                   | This agency fund is used to account for the payroll transactions of the school district. |
| <b>Unemployment Compensation Insurance Trust Fund:</b> | This trust fund is used to pay unemployment compensation claims as they arise.           |

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017

	<u>AGENCY FUNDS</u>			<u>UNEMPLOYMENT COMPENSATION TRUST</u>
	<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>	<u>TOTAL AGENCY</u>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 81,212.98	\$ 220,172.14	\$ 301,385.12	\$
Intrafund receivable				8,257.16
<b>Total assets</b>	<b>\$ 81,212.98</b>	<b>\$ 220,172.14</b>	<b>\$ 301,385.12</b>	<b>\$ 8,257.16</b>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$	\$ 211,914.98	\$ 211,914.98	\$
Intrafund payable		8,257.16	8,257.16	
Due to student groups	81,212.98		81,212.98	
<b>Total liabilities</b>	<b>\$ 81,212.98</b>	<b>\$ 220,172.14</b>	<b>\$ 301,385.12</b>	
<b>NET POSITION:</b>				
Held in trust for unemployment claims and other purposes				8,257.16
<b>Total net position</b>			<b>\$</b>	<b>8,257.16</b>



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	UNEMPLOYMENT COMPENSATION TRUST	TOTAL
	<u>                    </u>	<u>                    </u>
ADDITIONS:		
Contributions:		
Other	\$ <u>59,430.06</u>	\$ <u>59,430.06</u>
Total contributions	<u>59,430.06</u>	<u>59,430.06</u>
Total additions	<u>59,430.06</u>	<u>59,430.06</u>
DEDUCTIONS:		
Unemployment claims	<u>58,967.01</u>	<u>58,967.01</u>
Total deductions	<u>58,967.01</u>	<u>58,967.01</u>
Change in net position	463.05	463.05
Net Position, Beginning of Year	<u>7,794.11</u>	<u>7,794.11</u>
Net Position, End of Year	<u>\$ <u>8,257.16</u></u>	<u>\$ <u>8,257.16</u></u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>6/30/2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>6/30/2017</u>
ASSETS:				
Student Activities Funds	\$ <u>70,873.58</u>	\$ <u>146,083.31</u>	\$ <u>135,743.91</u>	\$ <u>81,212.98</u>
LIABILITIES:				
Due student groups	<u>70,873.58</u>	<u>146,083.31</u>	<u>135,743.91</u>	<u>81,212.98</u>
Total all schools	\$ <u><u>72,600.60</u></u>	\$ <u><u>146,083.31</u></u>	\$ <u><u>135,743.91</u></u>	\$ <u><u>81,212.98</u></u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>6/30/2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6/30/2017</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ <u>207,141.13</u>	\$ <u>6,315,493.31</u>	\$ <u>6,302,462.30</u>	\$ <u>220,172.14</u>
Total assets	\$ <u><u>207,141.13</u></u>	\$ <u><u>6,315,493.31</u></u>	\$ <u><u>6,302,462.30</u></u>	\$ <u><u>220,172.14</u></u>
<b>LIABILITIES:</b>				
Interfund Payable	\$ 7,794.11	\$ 59,430.06	\$ 58,967.01	\$ 8,257.16
Payroll deductions and withholdings	<u>199,347.02</u>	<u>6,256,063.25</u>	<u>6,243,495.29</u>	<u>211,914.98</u>
Total liabilities	\$ <u><u>207,141.13</u></u>	\$ <u><u>6,315,493.31</u></u>	\$ <u><u>6,302,462.30</u></u>	\$ <u><u>220,172.14</u></u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds .

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2017

<u>ISSUE</u>	<u>DATE OF</u> <u>ISSUE</u>	<u>AMOUNT OF</u> <u>ISSUE</u>	<u>MATURITIES</u> <u>DATE</u>	<u>AMOUNT</u>	<u>RATE OF</u> <u>INTEREST</u>	<u>BALANCE</u> <u>6/30/2016</u>	<u>RETIRED</u>	<u>BALANCE</u> <u>6/30/2017</u>
Refunding Bonds	2/15/07	\$2,745,000.00		\$		\$ 290,000.00	\$ 290,000.00	\$
Refunding Bonds	2/15/13	7,045,000.00	2/15/18 2/15/19 2/15/20 2/15/21 2/15/22 2/15/23 2/15/24 2/15/25 2/15/26 2/15/27 2/15/28 2/15/29	495,000.00 490,000.00 485,000.00 480,000.00 480,000.00 480,000.00 480,000.00 480,000.00 480,000.00 470,000.00 465,000.00	VARIOUS	6,165,000.00	410,000.00	5,755,000.00
						<u>\$ 6,455,000.00</u>	<u>\$ 700,000.00</u>	<u>\$ 5,755,000.00</u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2017

<u>SERIES</u>	AMOUNT OF ORIGINAL LEASE PRINCIPAL	BALANCE JUNE 30, 2016	DECREASE	BALANCE JUNE 30, 2017
Copiers	\$ 40,114.76	\$ 16,725.85	\$ 8,501.00	\$ 8,224.85
Copiers	11,590.00	6,533.96	2,403.90	4,130.06
	\$	<u>23,259.81</u>	<u>10,904.90</u>	<u>12,354.91</u>

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>ADOPTED BUDGET</u>	<u>TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 908,572.00	\$	\$ 908,572.00	\$ 908,572.00	\$
	908,572.00		908,572.00	908,572.00	
State sources					
Debt service aid type II	12,060.00		12,060.00	12,060.00	
Total revenues	920,632.00		920,632.00	920,632.00	
EXPENDITURES:					
Regular debt service:					
Interest	220,632.00		220,632.00	220,632.00	
Principal	700,000.00		700,000.00	700,000.00	
Total regular debt service-expenditures	920,632.00		920,632.00	920,632.00	
Excess (deficiency) of revenues over (under) expenditures					
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources					
Fund balance, July 1					
Fund balance, June 30	\$	\$	\$	\$	\$

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**STATISTICAL SECTION**  
**(UNAUDITED)**



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
STATISTICAL SECTION

Contents

Page

Financial Trends:

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

J-1 to J-4

Revenue Capacity:

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

J-5 to J-9

Debt Capacity:

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

J-10 to J-13

Demographic and Economic Information:

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

J-14 to J-15

Operating Information:

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

J-16 to J-20

Sources

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 17,870,104	\$ 17,441,655	\$ 15,506,852	\$ 8,277,588	\$ 8,542,061	\$ 6,973,259	\$ 7,379,212	\$ 6,791,691	\$ 6,895,990	\$ 6,710,032
Restricted	4,027,677	3,276,706	3,901,772	3,216,956	1,703,028	809,645	912,647	671,912	704,953	781,382
Unrestricted (deficit)	(3,358,798)	(3,135,574)	(3,058,628)	703,226	491,748	1,832,800	202,116	150,777	141,025	205,815
Total governmental activities net position	\$ 18,538,982	\$ 17,582,787	\$ 16,349,996	\$ 12,197,771	\$ 10,736,837	\$ 9,615,704	\$ 8,493,975	\$ 7,614,379	\$ 7,741,969	\$ 7,697,229
<b>Business-type activities</b>										
Unrestricted	\$ 323,563	\$ 252,161	\$ 234,045	\$ 203,829	\$ -	\$ 71,961	\$ 19,570	\$ 2,539	\$ 2,353	\$ 3,966
Total business-type activities net position	\$ 323,563	\$ 252,161	\$ 234,045	\$ 203,829	\$ -	\$ 71,961	\$ 19,570	\$ 2,539	\$ 2,353	\$ 3,966
<b>District-wide</b>										
Net investment in capital assets	\$ 17,870,104	\$ 17,441,655	\$ 15,506,852	\$ 8,277,588	\$ 8,542,061	\$ 6,973,259	\$ 7,379,212	\$ 6,791,691	\$ 6,895,990	\$ 6,710,032
Restricted	4,027,677	3,276,706	3,901,772	3,216,956	1,703,028	809,645	912,647	671,912	704,953	781,382
Unrestricted (deficit)	(3,035,235)	(2,883,412)	(2,824,583)	907,055	491,748	1,904,761	221,687	153,316	143,378	209,781
Total district net position	\$ 18,862,545	\$ 17,834,949	\$ 16,584,041	\$ 12,401,600	\$ 10,736,837	\$ 9,687,665	\$ 8,513,546	\$ 7,616,918	\$ 7,744,321	\$ 7,701,195

Source: CAFR Schedule A-1

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN YEARS  
(accrual basis of accounting)  
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental activities										
Instruction	\$ 8,108,782.75	\$ 7,552,258.89	\$ 5,395,614.52	\$ 4,429,963.90	\$ 6,194,076.53	\$ 5,897,882.21	\$ 5,656,272.25	\$ 6,173,767.47	\$ 6,107,965.21	\$ 6,684,978.70
Regular	2,181,247.88	1,670,110.18	1,166,632.24	1,128,247.24	1,780,129.27	1,750,348.86	1,620,283.96	1,692,570.35	1,613,921.59	1,114,023.60
Special education	1,289,025.52	1,020,827.46	337,858.00	196,548.61	181,641.30	211,701.65	206,720.23	164,866.14	164,583.44	112,417.12
Other instruction										
Support Services:										
Tuition	389,313.90	528,660.76	484,252.49	426,494.33	2,570,233.91	2,342,455.20	2,408,619.26	2,387,219.75	2,186,399.68	2,183,485.84
Student & instruction related services	2,747,425.49	2,809,910.44	2,282,165.84	1,984,718.67	543,118.36	516,496.98	520,364.10	521,482.15	508,523.48	502,655.54
School administrative services	546,959.34	490,850.97	368,491.93	341,025.85	496,237.18	496,775.50	490,161.28	520,755.42	505,509.32	465,344.40
General administrative services	817,962.92	770,360.74	517,082.62	428,282.09	495,952.15	613,786.02	556,367.71	530,685.74	489,848.51	488,475.87
Central Services & Technology	700,709.27	668,823.02	428,359.72	438,897.44	495,952.15	613,786.02	556,367.71	530,685.74	489,848.51	488,475.87
Plant operations and maintenance	1,818,219.49	1,681,817.91	1,221,003.14	1,189,136.63	1,399,130.68	1,358,520.97	1,359,273.23	1,390,537.00	1,583,128.32	1,563,963.25
Pupil transportation	463,058.58	450,871.91	268,785.90	226,282.37	302,666.09	330,443.33	411,284.94	452,081.77	418,642.58	407,424.46
Unallocated benefits			3,374,300.99	3,050,040.62						
Interest on long-term debt	196,948.66	216,541.82	238,097.57	191,120.22	355,284.56	388,549.94	424,028.71	441,361.17	460,788.61	507,979.75
Unallocated					104,008.55					
Unallocated depreciation	616,863.32	597,062.81	671,369.58	653,423.43	500,208.17	494,823.65	491,663.98	481,276.39	363,566.18	231,435.27
Total governmental activities expenses	19,876,517.12	18,458,096.93	16,754,014.54	14,684,181.40	14,922,686.75	14,401,784.31	14,145,039.65	14,756,603.35	14,402,876.92	14,262,183.80
Business-type activities:										
Food service	9,671.41	10,785.80	9,617.67	12,266.99	12,870.33	13,472.56	11,985.74	13,831.32	24,186.31	28,175.12
Regional Program	150,004.59	214,852.21	156,728.91	128,180.10	118,516.13	115,534.18	150,427.74			
Total business-type activities expense	159,676.00	225,638.01	166,346.58	140,447.09	131,386.46	129,066.74	162,413.48	13,831.32	24,186.31	28,175.12
Total district expenses	\$ 20,036,193.12	\$ 18,683,734.94	\$ 16,920,361.12	\$ 14,824,628.49	\$ 15,054,073.21	\$ 14,530,791.05	\$ 14,307,453.13	\$ 14,770,434.67	\$ 14,427,063.23	\$ 14,290,358.92
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 68,213.26	\$ 23,390.00	\$ 113,496.00	\$ 133,157.12	\$ 1,996,206.34	\$ 1,773,683.82	\$ 1,452,623.29	\$ 1,609,403.62	\$ 1,839,378.20	\$ 1,476,084.77
Operating grants and contributions	5,387,292.84	3,962,538.79	3,297,492.98	1,855,139.56	1,996,206.34	1,773,683.82	1,452,623.29	1,609,403.62	1,839,378.20	1,476,084.77
Total governmental activities program revenues	5,455,506.20	3,985,928.79	3,410,988.98	1,988,296.68	1,996,206.34	1,773,683.82	1,452,623.29	1,609,403.62	1,839,378.20	1,476,084.77
Business-type activities:										
Charges for services										
Food service	9,943.92	9,581.26	8,978.50	13,468.83	11,770.97	12,595.80	13,189.18	13,973.53	22,507.13	24,367.14
Regional Program	219,901.79	233,274.10	186,722.29	173,346.53	203,471.29	168,542.00	168,853.22			
Total business-type activities program revenues	229,845.71	242,855.36	195,700.79	186,815.36	215,242.26	181,137.80	179,042.40	13,973.53	22,507.13	24,367.14
Total district program revenues	\$ 5,685,351.91	\$ 4,228,784.15	\$ 3,606,689.77	\$ 2,175,112.04	\$ 2,211,448.60	\$ 1,954,821.62	\$ 1,631,665.69	\$ 1,623,377.15	\$ 1,861,885.33	\$ 1,500,451.91
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (14,421,010.92)	\$ (14,472,168.14)	\$ (13,343,025.56)	\$ (12,695,884.72)	\$ (12,926,480.41)	\$ (13,149,002.93)	\$ (12,949,161.02)	\$ (12,535,636.03)	\$ (12,917,225.15)	\$ (12,926,792.15)
Business-type activities	70,169.71	17,217.35	29,354.21	46,368.27	83,855.80	49,751.34	50,035.66	(148,439.95)	8,675.81	180.83
Total district-wide net expense	\$ (14,350,841.21)	\$ (14,454,950.79)	\$ (13,313,671.35)	\$ (12,649,516.45)	\$ (12,842,624.61)	\$ (13,099,251.59)	\$ (12,899,125.36)	\$ (12,684,075.98)	\$ (12,908,549.34)	\$ (12,926,611.32)

BOROUGH OF WOODLIFE LAKE SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN YEARS  
(accrual basis of accounting)  
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 14,394,136.00	\$ 14,013,860.00	\$ 13,586,718.00	\$ 13,284,038.00	\$ 12,851,988.00	\$ 12,599,999.00	\$ 12,599,999.00	\$ 11,990,384.00	\$ 11,606,057.00	\$ 11,185,785.00
Taxes levied for debt service	908,572.00	932,418.00	920,513.00	940,914.00	990,196.00	982,899.00	984,437.00	942,647.00	925,396.00	1,083,239.00
Unrestricted grants and contributions	35,706.00	29,102.00	28,928.00	52,600.00	10,325.70	21,757.00	3,828.55	37,220.65	22,284.80	778,247.51
State Aid restricted for Debt Service	12,060.00	821,089.27	358,598.73	11,695.10	13,439.00	13,452.00	13,659.00	16,058.00	15,741.00	31,057.90
State Aid restricted for Capital Outlay		(107,213.49)	(62,677.42)							
Cancellation of SDA Grant										
Miscellaneous income	26,731.78	15,703.49	22,502.55	24,045.64	25,180.98	14,304.69	87,505.79	33,301.47	38,759.35	140,990.71
Total governmental activities	<u>15,377,205.78</u>	<u>15,704,959.27</u>	<u>14,854,582.86</u>	<u>14,313,292.74</u>	<u>13,891,139.68</u>	<u>13,632,411.69</u>	<u>13,689,429.34</u>	<u>13,019,611.12</u>	<u>12,608,238.15</u>	<u>13,219,320.12</u>
<b>Business-type activities:</b>										
Miscellaneous Income	1,231.71	898.83	862.26	985.90	657.97	259.34	402.61	43.76	66.03	319.70
Total business-type activities	<u>1,231.71</u>	<u>898.83</u>	<u>862.26</u>	<u>985.90</u>	<u>657.97</u>	<u>259.34</u>	<u>402.61</u>	<u>43.76</u>	<u>66.03</u>	<u>319.70</u>
Total district-wide	<u>\$ 15,378,437.49</u>	<u>\$ 15,705,858.10</u>	<u>\$ 14,855,445.12</u>	<u>\$ 14,314,278.64</u>	<u>\$ 13,891,797.65</u>	<u>\$ 13,632,671.03</u>	<u>\$ 13,689,831.95</u>	<u>\$ 13,019,654.88</u>	<u>\$ 12,608,304.18</u>	<u>\$ 13,219,639.82</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 956,194.86	\$ 1,232,791.13	\$ 1,511,557.30	\$ 1,617,408.02	\$ 964,659.27	\$ 1,004,311.20	\$ 997,012.98	\$ (127,588.61)	\$ 44,739.43	\$ 433,221.09
Business-type activities	71,401.42	18,116.18	30,216.47	47,354.17	84,513.77	52,390.40	17,031.53	185.97	(1,613.15)	(3,488.28)
Total district	<u>\$ 1,027,596.28</u>	<u>\$ 1,250,907.31</u>	<u>\$ 1,541,773.77</u>	<u>\$ 1,664,762.19</u>	<u>\$ 1,049,173.04</u>	<u>\$ 1,056,701.60</u>	<u>\$ 1,014,044.51</u>	<u>\$ (127,402.64)</u>	<u>\$ 43,126.28</u>	<u>\$ 429,732.81</u>

Source: CAFR Schedule A-2

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS  
 (modified accrual basis of accounting)  
 UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Reserved	\$ 1,849,547	\$ 2,799,080	\$ 2,364,080	\$ 1,459,610	\$ 1,703,028	\$ 809,645	\$ 912,647	\$ 707,076	\$ 732,145	\$ 518,973
Restricted	203,627	186,245	379,647	257,926	423,942	1,255,429	268,756			
Assigned	372,229	334,420	305,913	344,998	317,086	327,483	296,991			
Unassigned										
Unreserved								347,262	505,580	658,093
Total general fund	\$ 2,425,402	\$ 3,319,745	\$ 3,049,641	\$ 2,062,534	\$ 2,444,057	\$ 2,392,557	\$ 1,478,394	\$ 1,054,339	\$ 1,237,725	\$ 1,177,065
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted										
Capital projects fund	2,050,000	374,119	1,253,563	1,499,421	10,551	1	1			
Debt service fund				10,552						
Unreserved, reported in:										
Capital projects fund								436,015	207,007	224,516
Debt service fund								218	242	53,564
Total all other governmental funds	\$ 2,050,000	\$ 374,119	\$ 1,253,563	\$ 1,509,972	\$ 10,551	\$ 1	\$ 1	\$ 436,232	\$ 481,257	\$ 570,996

Source: CAFR Schedule B-1

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
 CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Tax levy	\$ 15,302,708	\$ 14,946,278	\$ 14,507,231	\$ 14,224,952	\$ 13,842,194	\$ 13,582,898	\$ 13,584,436	\$ 12,933,031	\$ 12,531,453	\$ 12,269,024
Interest on capital reserve	8,792	1,768	419	3,665	2,500	2,192	2,602	2,801	4,290	11,749
Tuition	68,213	26,000	113,496	133,157	36,640	41,716	38,384	73,406	116,325	215,957
Miscellaneous	37,490	16,936	22,083	90,113	45,780	76,701	163,428	1,409,660	1,600,306	1,974,999
State sources	2,223,379	2,863,500	2,096,997	1,663,691	1,768,037	1,482,329	1,036,672	1,409,660	1,600,306	1,974,999
Federal sources	188,491	195,440	189,295	186,012	192,195	220,259	316,531	249,817	195,243	223,676
Total revenue	17,829,073	18,049,922	16,929,521	16,301,590	15,887,346	15,406,095	15,142,053	14,668,715	14,447,616	14,695,404
<b>Expenditures</b>										
Instruction										
Regular instruction	4,333,628	4,597,393	4,505,648	4,412,902	6,065,788	5,779,684	5,662,677	6,078,802	6,108,798.35	4,779,885
Special education instruction	1,603,810	1,317,762	1,166,632	1,128,247	1,780,129	1,750,349	1,620,284	1,692,570	1,613,921.59	1,114,024
Other instruction	116,751	146,393	131,905	196,549	181,641	211,702	206,720	164,866	164,583.44	112,417
Support Services:										
Tuition	389,314	528,661	484,252	426,494	426,494	2,345,122	2,400,273	2,382,717	2,180,859.69	1,729,896
Student & instruction related services	2,114,156	2,191,149	2,005,449	1,984,719	2,553,686	2,345,122	2,400,273	2,382,717	2,180,859.69	1,729,896
General administrative services	442,029	479,112	440,593	428,282	494,658	494,106	486,506	517,101	500,612.77	371,456
School administrative services	370,822	355,072	331,217	341,026	542,342	515,330	519,137	520,481	506,437.29	370,061
Central services & technology	418,408	449,813	405,781	438,897	488,007	608,494	552,741	521,686	486,965.56	374,520
Plant operations and maintenance	1,591,663	1,500,763	1,220,175	1,189,137	1,376,984	1,338,430	1,343,980	1,375,244	1,552,956.36	1,331,152
Pupil transportation	187,301	238,676	218,729	226,282	302,666	330,443	411,285	452,082	418,642.58	405,919
Unallocated employee benefits	4,117,415	3,865,499	3,374,301	3,050,041	1,072,691	113,103	757,691	126,485	159,531.65	384,709
Capital outlay	441,605	1,936,623	907,235	418,381	1,072,691	113,103	757,691	126,485	159,531.65	384,709
Debt service:										
Principal	700,000	705,000	685,000	670,000	702,726	608,103	760,668	615,840	596,825.25	540,000
Interest and other charges	220,632	240,131	259,230	284,324	304,092	397,068	432,264	449,242	468,387.05	585,504
Total expenditures	17,047,534	18,552,048	16,136,147	15,195,281	15,865,411	14,491,934	15,154,229	14,897,126	14,758,522	15,091,268
Excess (Deficiency) of revenues over (under) expenditures	781,539	(502,126)	793,374	1,106,309	21,935	914,161	(12,176)	(228,411)	(310,905)	(395,864)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	-	(107,213)	(62,677)	11,590	40,115				281,826	
Grant cancellations	-	(107,213)	(62,677)		40,114.76				281,826	
Total other financing sources (uses)										
Net change in fund balances	\$ 781,539	\$ (609,340)	\$ 730,697	\$ 1,117,899	\$ 62,050	\$ 914,161	\$ (12,176)	\$ (228,411)	\$ (29,079)	\$ (395,864)
Debt service as a percentage of noncapital expenditures	5.5%	5.7%	6.2%	6.5%	6.8%	7.0%	8.3%	7.2%	7.3%	7.7%

Source: CAFR Schedule B-2



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest on</u> <u>Capital Reserve</u>	<u>Tuition</u>	<u>Refunds</u>	<u>Misc.</u>	<u>Total</u>
2008	\$122,413.00	\$11,749.00	\$2,820.00	\$	\$90,723.00	\$227,705.00
2009	17,818.90	4,289.96		6,013.55	10,636.94	38,759.35
2010	22,162.56	2,800.54			8,338.37	33,301.47
2011	22,450.26	2,602.30			56,069.23	81,121.79
2012	9,530.55	2,191.93			2,582.21	14,304.69
2013	12,342.60	2,500.18			4,723.12	19,565.90
2014	11,875.98	3,664.94			6,798.60	22,339.52
2015	7,470.54	419.28			14,612.73	22,502.55
2016	7,099.60	1,767.51			9,836.38	18,703.49
2017	10,377.16	8,791.62			7,563.00	26,731.78

Source: District Records

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
 UNAUDITED

Calendar Year Ended Dec. 31,	Vacant Land	Residential	Farm Req.	Qfairm	Commercial	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Total Direct School Tax Rate (b)	Estimated Actual (County Equalized Value)
2008	\$ 16,806,600	\$ 1,218,110,700	\$ 930,800	6,400	\$ 415,187,600	\$ 1,651,042,100	\$ 1,584,879	1,652,626,979	0.747	\$ 2,170,444,682
2009	16,008,200	1,226,381,100	930,800	6,400	460,623,700	1,703,950,200	1,648,608	1,705,598,808	0.745	2,245,069,011
2010	15,268,000	1,231,323,800	930,800	6,400	464,840,100	1,712,369,100	1,851,347	1,714,220,447	0.772	2,269,801,638
2011	14,696,900	1,233,145,100	930,800	6,400	454,682,800	1,703,462,000	1,723,119	1,705,185,119	0.796	1,969,565,261
2012	24,756,000	1,277,784,100	1,225,400	6,600	542,447,400	1,847,942,619	1,723,119	1,849,665,738	0.776	1,999,384,529
2013	*	*	*	*	*	1,828,651,000	1,902,495	1,830,553,495	0.766	1,999,384,529
2014	*	*	*	*	*	1,783,287,200	1,488,377	1,784,775,577	0.805	1,924,752,204
2015	12,987,200	1,368,240,000	1,042,900	6,600	512,114,400	1,894,391,100	1,777,846	1,896,168,946	0.775	1,965,379,073
2016	12,723,700	1,387,553,500	1,061,300	6,600	517,184,700	1,918,529,800	1,781,755	1,920,311,555	0.788	1,987,302,541
2017	23,281,300	1,405,890,100	1,060,700	6,600	551,589,700	1,981,828,400	1,775,410	1,983,603,810	0.783	1,995,767,160

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**(b)** Tax rates are per \$100

\* Not available at time of audit

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN CALENDAR YEARS  
*(rate per \$100 of assessed value)*

UNAUDITED

Calendar Year Ended December 31,	Borough of Woodcliff Lake Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	General			Borough of Woodcliff	Pascack Valley Regional	County	
	Basic Rate (a)	Obligation Debt Service (b)	Total Direct				
2007	0.672	0.068	0.740	0.451	0.550	0.239	1.980
2008	0.679	0.068	0.747	0.452	0.601	0.249	2.049
2009	0.691	0.054	0.745	0.452	0.606	0.256	2.059
2010	0.715	0.057	0.772	0.463	0.645	0.269	2.149
2011	0.740	0.056	0.796	0.496	0.616	0.232	2.140
2012	0.766	0.054	0.820	0.501	0.613	0.234	2.168
2013	0.749	0.056	0.805	0.517	0.625	0.249	2.196
2014	0.749	0.056	0.805	0.495	0.593	0.247	2.140
2015	0.727	0.048	0.775	0.495	0.593	0.249	2.112
2016	0.741	0.047	0.788	0.491	0.558	0.250	2.087

Source: District Records and Municipal Tax Collector

**Note:**

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable
- (b) Rates for debt service are based on each year's requirements.

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
BMW of North America	\$147,287,000	1	7.43%	\$115,436,000	1	7.20%
Mack-Cali	110,919,000	2	5.59%	42,477,800	2	2.65%
Grammercy Property Trust	54,796,800	3	2.76%			
WS Tice's Corner Mkt	47,663,200	4	2.40%	30,700,400	5	1.91%
Brighton Norse Realty	30,365,100	5	1.53%			
CP Woodcliff Lakes	23,000,000	6	1.16%			
Engle Burman	18,979,400	7	0.96%			
BACM 2005-3	17,508,200	8	0.88%			
Ridge Assoc.	15,580,100	9	0.79%	12,820,000	9	0.80%
AL I / Woodcliff Lake	11,789,700	10	0.59%			
300 Tice Realty				41,993,400	3	2.62%
Deloitte Touche				36,617,200	4	2.28%
Advanced LLC				28,657,600	6	1.79%
The Great Atlantic & Pacific Tea Co.				14,825,000	7	0.92%
IPC Commercial Properties				14,750,000	8	0.92%
400 Chestnut Realty				10,800,000	10	0.67%
<b>Total</b>	<b>\$477,888,500</b>		<b>24.09%</b>	<b>\$349,077,400</b>		<b>21.76%</b>

Source: District CAFR J11 & Municipal Tax Assessor

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent <u>Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2008	\$ 12,269,024	\$ 12,269,024	100.00%	-
2009	12,531,453	12,531,453	100.00%	-
2010	12,933,031	12,933,031	100.00%	-
2011	13,584,436	13,584,436	100.00%	-
2012	13,582,898	13,582,898	100.00%	-
2013	13,842,194	13,842,194	100.00%	-
2014	14,224,952	14,224,952	100.00%	-
2015	13,586,718	13,586,718	100.00%	-
2016	14,013,860	14,013,860	100.00%	-
2017	14,394,136	14,394,136	100.00%	-

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

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)	Income	Population
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases						
2008	\$ 11,655,000.00	\$ 36,755.91	\$	\$	\$	11,691,755.91	0.54%	1,990	\$ 63,814	5,876
2009	11,120,000.00	256,756.78				11,376,756.78	0.59%	1,924	68,147	5,914
2010	10,565,000.00	195,916.35				10,760,916.35	0.63%	1,805	68,548	5,961
2011	9,985,000.00	15,247.97				10,000,247.97	0.64%	1,743	64,571	5,730
2012	9,385,000.00	7,145.42				9,392,145.42	0.70%	1,629	65,275	5,764
2013	8,755,000.00	39,534.60				8,794,534.60	0.75%	1,509	68,244	5,794
2014	7,845,000.00	43,266.04				7,888,266.04	0.89%	1,353	71,380	5,804
2015	7,160,000.00	33,552.03				7,191,290.04	0.97%	1,225	70,498	5,843
2016	6,455,000.00	23,259.81				6,478,259.81	0.91%	1,095	73,536	5,917
2017	5,755,000.00	12,354.91				5,767,354.91	1.32%	979	75,849	5,891

Source: District CAFR Schedules I-1

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

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

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	General Bonded Debt Outstanding			Total Municipal Assessed Value	Percentage of Actual Taxable Value <b>(a)</b> of Property	Per Capita <b>(b)</b>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2008	\$ 11,655,000	-0-	\$ 11,655,000	\$ 1,603,445,695	0.73%	\$ 1,983.49
2009	11,120,000	-0-	11,120,000	1,652,626,979	0.67%	1,880.28
2010	10,565,000	-0-	10,565,000	1,705,598,808	0.62%	1,772.35
2011	9,985,000	-0-	9,985,000	1,714,220,447	0.58%	1,740.76
2012	9,385,000	-0-	9,385,000	1,705,185,119	0.55%	1,627.64
2013	8,755,000	-0-	8,755,000	1,830,553,495	0.48%	1,502.49
2014	7,845,000	-0-	7,845,000	1,784,775,577	0.44%	1,345.63
2015	7,160,000	-0-	7,160,000	1,896,168,946	0.38%	1,219.76
2016	6,455,000	-0-	6,455,000	1,920,311,555	0.34%	5,917.00
2017	5,755,000	-0-	5,755,000	1,983,603,810	0.29%	5,891.00

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

**(a)** See Exhibit J-6 for property tax data.

**(b)** Population data can be found in Exhibit J-14.

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2016  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Woodcliff Lake Borough	\$ 7,061,448	100.000%	\$ 7,061,448
<b>Other debt</b>			
Regional School Debt Bergen County	* 1,205,030,344	* 1.208%	* <u>14,559,096</u>
Subtotal, overlapping debt			21,620,544
<b>Woodcliff Lake Borough School District Direct Debt</b>			<u>6,455,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 28,075,544</u>

**Sources:** Borough Chief Finance Office & County Treasurers Office

\* Not available at time of audit

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

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



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis	
2016	\$ 1,933,222,289
2015	2,020,252,853
2014	2,008,432,481
<b>[A]</b>	<u>\$ 5,961,907,623</u>
<b>[A/3]</b>	\$ 1,987,302,541

Average equalized valuation of taxable property	
Debt limit (3% of average equalization)	<b>[B]</b> 59,619,076 <b>(a)</b>
Net bonded school debt	<b>[C]</b> 7,061,448
Legal debt margin	<u><b>[B-C]</b> \$ 52,557,628</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>
Debt limit	\$ 55,080,869	\$ 64,708,801	\$ 66,981,669	\$ 67,149,403	\$ 66,004,643	\$ 62,849,580	\$ 60,191,395	\$ 59,043,354	\$ 59,983,654	\$ 59,619,076
Total net debt applicable to limit	11,689,167	11,134,167	10,579,167	9,999,167	9,399,167	8,755,000 *	8,755,000 *	6,824,882	6,579,348	7,061,448
Legal debt margin	<u>\$ 43,411,702</u>	<u>\$ 53,574,634</u>	<u>\$ 56,402,502</u>	<u>\$ 57,150,236</u>	<u>\$ 56,605,476</u>	<u>\$ 54,094,580</u>	<u>\$ 51,436,395</u>	<u>\$ 52,218,472</u>	<u>\$ 53,404,306</u>	<u>\$ 52,557,628</u>
Total net debt applicable to the limit as a percentage of debt limit	21.19%	17.21%	15.79%	14.89%	14.24%	13.93%	14.55%	11.56%	10.97%	11.84%

Source: Abstract of Rates and District Records CAFR Schedule J-7

**(a)** Limit set by N.J.S.A. 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts  
 \* Includes regional bonds

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year Ended December <u>31.</u>	<u>Unemployment Rate (d</u>	<u>Per Capita Income</u>	<u>School District Population</u>
2007	1.3%	\$ 63,814	5,876
2008	1.8%	68,147	5,914
2009	3.2%	68,548	5,961
2010	3.3%	64,571	5,730
2011	3.3%	65,275	5,764
2012	3.3%	68,244	5,794
2013	6.5%	71,380	5,804
2014	4.0%	70,498	5,843
2015	3.4%	73,536	5,917
2016	3.0%	75,849	5,891

**Source:** N.J. Department of Labor

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO  
UNAUDITED

<u>Employer</u>	2017			2008		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
-			0.00%	-		0.00%

Source: District CAFR J11 & Municipal Tax Assessor  
 \* Not available at time of audit

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
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	70	66	66	58	63	59	58	58	58	62
Regular	25	28	30	29	32	38	41	41	45	45
Special education										
Support Services:										
Tuition	16	12	10	10	7	7	7	7	6	6
Student & instruction related services	2	2	2	2	2	2	2	2	2	2
General administrative services	6	6	6	6	5	4	4	4	4	4
School administrative services	5	5	5	5	4	4	4	4	4	4
Business administrative services	15	12	11	4	5	4	4	4	4	4
Plant operations and maintenance	142	139	131	130	114	118	118	120	120	127
<b>Total</b>										

Source: District Personnel Records

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADE) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2008	830	\$ 13,581,055	16,363	9.0%	87	53	34	832	801	-3.3%	96.27%
2009	836	13,533,778	16,189	-1.1%	90	50	34	836	787	-0.5%	94.14%
2010	849	13,705,548	16,143	-0.3%	90	53	37	846	816	-1.2%	96.45%
2011	817	13,203,604	16,161	0.1%	79	46	33	814	782	3.8%	96.07%
2012	808	13,373,659	16,552	2.4%	86	52	34	794	767	2.5%	96.60%
2013	777	13,785,902	17,742	9.8%	82	49	33	774	745	2.5%	96.25%
2014	779	13,822,576	17,744	7.2%	85	51	34	764	748	1.3%	97.91%
2015	777	14,125,081	18,179	2.5%	81	49	32	765	735	-0.1%	96.08%
2016	769	15,670,294	20,377	14.5%	81	48	33	768	735	-0.4%	95.70%
2017	770	15,685,297	20,371	14.4%	89	52	37	767.60	736	0.1%	95.88%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (a) Operating expenditures equal total expenditures less debt service and capital outlay
- (b) Teaching staff includes only full-time equivalents of certificated staff
- (c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
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>
<u>District Building</u>										
<u>Elementary</u>										
Dorchester School	78,920	78,920	78,920	78,920	78,920	78,920	78,920	78,920	78,920	78,920
Square Feet	573	573	573	573	573	573	573	573	573	573
Capacity (students)	536	540	563	551	539	501	522	507	510	495
Enrollment										
Woodcliff Lake Middle School	78,005	78,005	78,005	78,005	78,005	78,005	78,005	78,005	78,005	78,005
Square Feet	530	530	530	530	530	530	530	530	530	530
Capacity (students)	301	296	286	274	269	276	257	270	259	275
Enrollment										

Number of Schools at June 30, 2017  
 Elementary/Middle = 2

Source: District records, ASSA  
 Note: Increases in square footage and capacity are the result of additions.  
 Enrollment is based on the annual October district count.

BOROUGH OF WOODCLIFF LAKE - SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS

UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

School Facilities	Project # (s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Dorchester School	N/A	\$ 107,182.00	\$ 100,555.00	\$ 42,265.00	\$ 68,179.00	\$ 58,448.61	\$ 39,051.00	\$ 53,624.00	\$ 60,931.00	\$ 83,421.00	\$ 96,943.00
Woodcliff Lake Middle School	N/A	191,725.00	196,842.00	74,678.00	81,071.00	63,783.92	66,167.00	104,697.00	70,039.00	121,018.00	89,307.00
Total School Facilities		298,907.00	297,397.00	116,943.00	149,250.00	122,232.53	105,218.00	158,321.00	130,970.00	204,439.00	186,250.00
Grand Total		\$ 298,907.00	\$ 297,397.00	\$ 116,943.00	\$ 149,250.00	\$ 122,232.53	\$ 105,218.00	\$ 158,321.00	\$ 130,970.00	\$ 204,439.00	\$ 186,250.00

BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy-General Security Property & Casualty		
Property - Blanket Building & Contents	\$51,586,828	\$5,000
Comprehensive General Liability		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
Comprehensive Automobile Liability	1,000,000	
Computers and Scheduled Equipment-General Property and Casualty		
Other (Fine Arts, Athletic, and Contractors Equipment Cameras/Musical Equipment)	250,000	1,000
Commercial Environmental Impairment Liability		
Each Incident	2,000,000	15,000
Aggregate	20,000,000	
School Board Legal Liability - Darwin		
Director's and Officer's Policy		
Educators	1,000,000	5,000
Employment Practices	1,000,000	15,000
Excess Liability - Great American Insurance Company		
Umbrella Policy per occ/agg	9,000,000	
Cyber Liability - XL Insurance		
Per Claim	2,000,000	25,000
Aggregate	6,000,000	
Additional Excess Liability - Firemen's Fund		
Per Occurrence	50,000,000	
Aggregate	50,000,000	
Excess Workers Compensation- Safety National	1,000,000	
Public Employees Faithful Performance - Selective Insurance		
Public Dishonesty - Per Loss	400,000	100,000
Public Dishonesty - Per Employee	100,000	5,000
Board Secretary/Business Administrator-Fidelity Bond	200,000	
Treasurer of School Monies - Robert Wright	200,000	

Source:

School Risk Manager



**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**  
 CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members  
 of the Board of Education  
 Woodcliff Lake Borough School District  
 County of Bergen  
 Woodcliff Lake, New Jersey 07677

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Woodcliff Lake Borough School District (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 18, 2017.

***Internal Control Over Financial Reporting***

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

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

# SUPLEE, CLOONEY & COMPANY

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 District'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*.

## ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

October 18, 2017



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
Woodcliff Lake Borough School District  
County of Bergen  
Woodcliff Lake, New Jersey 07677

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

We have audited the Woodcliff Lake Borough School District's compliance with the types of compliance requirements described in the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Woodcliff Lake Borough School District's major state programs for the year ended June 30, 2017. The District'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 laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Woodcliff Lake Borough School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and New Jersey *OMB 15-08*. Those standards 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 Woodcliff Lake Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

# SUPLEE, CLOONEY & COMPANY

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

In our opinion, the Woodcliff Lake Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

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

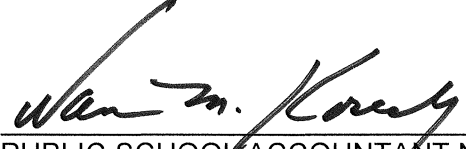
Management of the Woodcliff Lake Borough School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Woodcliff Lake Borough School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey *OMB 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 Woodcliff Lake Borough School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey *OMB 15-08*. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

October 18, 2017



BOROUGH OF WOODCLIFF LAKE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

GRANTOR/PROGRAM/TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		CARRY OVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2017		MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE						(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
General Funds:													
State Aid Cluster:													
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 311,334.00	\$ -	\$ -	\$ -	\$ 282,941.00	\$ (311,334.00)	\$ 28,393.00	\$ -	\$ -	\$ (28,393.00)	\$ 311,334.00
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	13,256.00				13,256.00	(13,256.00)					13,256.00
PARCC Readiness Aid	17-495-034-5120-088	7/1/16-6/30/17	7,440.00				7,440.00	(7,440.00)					7,440.00
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	7,440.00				7,440.00	(7,440.00)					7,440.00
Prof Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	7,570.00				7,570.00	(7,570.00)					7,570.00
Total State Aid Cluster			318,640.00				318,641.00	(347,040.00)	28,393.00			(28,393.00)	347,040.00
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	18,444.00				18,444.00	(18,444.00)					18,444.00
Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	142,179.00	(142,179.00)			142,179.00						142,179.00
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	154,982.00				154,982.00	(154,982.00)				(154,982.00)	154,982.00
Non-Public Transportation Aid	16-100-034-5120-014	7/1/15-6/30/16	2,610.00	(2,610.00)			2,610.00						2,610.00
Non-Public Transportation Aid	17-100-034-5120-014	7/1/16-6/30/17	2,262.00				652,780.00	(2,262.00)				(2,262.00)	652,780.00
On-behalf TPAF Contributions	17-495-034-5094-002	7/1/16-6/30/17	652,780.00				652,780.00	(2,262.00)					652,780.00
NCCI	17-495-034-5094-004	7/1/16-6/30/17	23,652.00				23,652.00	(23,652.00)					23,652.00
Long term Disability Insurance	17-495-034-5094-000	7/1/16-6/30/17	2,355.00				2,355.00	(2,355.00)					2,355.00
Post Retirement Medical	17-495-034-5094-001	7/1/16-6/30/17	563,621.00				563,621.00	(563,621.00)					563,621.00
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	450,286.94	(144,789.00)			1,833,298.65	(450,289.94)				(22,702.29)	450,286.94
Debt Service Fund:													
Debt Service Aid-Type II	17-495-034-5120-075	7/1/16-6/30/17	27,435.00				27,435.00	(27,435.00)					27,435.00
Total Debt Service Fund			27,435.00				27,435.00	(27,435.00)					27,435.00
Total State Financial Assistance			\$ 2,179,310.65	\$ -	\$ -	\$ -	\$ 2,179,310.65	\$ (2,242,860.94)	\$ 28,393.00	\$ -	\$ -	\$ (208,339.29)	\$ 2,245,470.94
Less: On-Behalf amounts not utilized for determination of Major Programs:													
On-behalf TPAF Contributions	17-495-034-5094-002	7/1/16-6/30/17	652,780.00				652,780.00	(652,780.00)					652,780.00
NCCI	17-495-034-5094-004	7/1/16-6/30/17	23,652.00				23,652.00	(23,652.00)					23,652.00
Long-term Disability Insurance	17-495-034-5094-000	7/1/16-6/30/17	2,355.00				2,355.00	(2,355.00)					2,355.00
Post Retirement Medical	17-495-034-5094-001	7/1/16-6/30/17	563,621.00				563,621.00	(563,621.00)					563,621.00
Total State Financial Assistance Subject to Single Audit			\$ 939,257.650	\$ -	\$ -	\$ -	\$ 939,257.650	\$ (1,001,452.94)					\$ 939,257.650

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

**Woodcliff Lake Borough School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2017**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Woodcliff Lake Borough School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state 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 of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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



**Woodcliff Lake Borough School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2017**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$4,107.00) for the general fund, and (-0-) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$973,017.94	\$973,017.94
Special Revenue Fund	\$188,491.00		188,491.00
Debt Service Fund		27,435.00	27,435.00
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$188,491.00</u>	<u>\$1,000,452.94</u>	<u>\$1,188,943.94</u>

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

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

**Woodcliff Lake Borough School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2017**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | No         |

**Federal Program(s)** – Not Applicable

**State Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major State Programs:  |            |
|     | (a) Material weakness(es) identified?  | No         |
|     | (b) Significant deficiencies that are not considered to be material weaknesses?  | No         |
| (2) | Type of Auditor’s Report issued on compliance for major state program(s)?  | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08 and listed in Section III of this schedule? | No         |
| (4) | Identification of Major State Program(s):  |            |

<u>Program</u>	<u>Grant Number</u>
State Aid Cluster:	
Special Education Categorical Aid	17-495-034-5120-089
Security Aid	17-495-034-5120-084
PARCC Readiness Aid	17-495-034-5120-098
Per Pupil Growth Aid	17-495-034-5120-097
Prof Learning Comm Aid	17-495-034-5120-101
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003

**Borough of Woodcliff Lake School District**  
**Bergen County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2017**

**Section I – Summary of Auditor’s Results**

**State Program(s) (Continued)**

- (5) Program Threshold Determination:  
Type A State Program Threshold > \$750,000.00  
Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular  
Uniform Guidance? Yes

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing  
Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – Not Applicable

State Programs – None Reported

**Woodcliff Lake Borough School District**

**Schedule of Prior Year Audit Findings**

Not Applicable

