

**WOOD-RIDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

WOOD-RIDGE, NEW JERSEY

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Wood-Ridge Board of Education

Wood-Ridge, New Jersey

For The Fiscal Year Ended June 30, 2018

Prepared by

Business Office

**WOOD-RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditor's Report	8-10
------------------------------	------

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	11-20
--------------------------------------	-------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	21
A-2 Statement of Activities	22

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	24
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	25

Proprietary Funds

B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28

Fiduciary Funds

B-7 Statement of Fiduciary Net Position	29
B-8 Statement of Changes in Fiduciary Net Position	30

Notes to the Financial Statements	31-73
-----------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1 Budgetary Comparison Schedule – General Fund	74-78
C-2 Budgetary Comparison Schedule – Special Revenue Fund	79
C-3 Budgetary Comparison Schedule – Notes to Required Supplementary Information	80

**WOOD-RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

		<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION - PART III		
L.	Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	81
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	82
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	83
L-4	Notes to Required Supplementary Information – Net Pension Liability	84
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	85
L-6	Notes to Required Supplementary Information – OPEB Liability	86
D.	School Level Schedules (Not Applicable)	
E.	Special Revenue Fund	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	87
F.	Capital Projects Fund	
F-1	Summary Schedule of Project Expenditures	88
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	89
F-2a-	Schedule of Project Revenues, Expenditures, Project Balances and Project Status –	
F-2n	Budgetary Basis	90-103
G.	Proprietary Funds	
	<i>Enterprise Fund</i>	
G-1	Combining Schedule of Net Position – Not Applicable	104
G-2	Combining Schedule of Revenues, Expenses and Changes in Net Position – Not Applicable	104
G-3	Combining Schedule of Cash Flows – Not Applicable	104
H.	Fiduciary Funds/Agency Funds	
H-1	Combining Statement of Agency Assets and Liabilities	105
H-2	Combining Statement of Changes in Fiduciary Net Position – Not Applicable	106
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	107
H-4	Payroll Agency Fund Statement of Receipts and Disbursements	107
I.	Long-Term Debt	
I-1	Schedule of Bonds Payable	108
I-2	Schedule of Obligations under Capital Lease/Lease-Purchase Agreements	109
I-3	Debt Service Fund Budgetary Comparison Schedule	110

**WOOD-RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	111
J-2	Changes in Net Position	112-113
J-3	Fund Balances – Governmental Funds	114
J-4	Changes in Fund Balances - Governmental Funds	115
J-5	General Fund Other Local Revenue by Source	116
J-6	Assessed Value and Actual Value of Taxable Property	117
J-7	Property Tax Rates	118
J-8	Principal Property Taxpayers	119
J-9	Property Tax Levies and Collections	120
J-10	Ratios of Outstanding Debt by Type	121
J-11	Ratios of Net General Bonded Debt Outstanding	122
J-12	Computation of Direct and Overlapping Debt	123
J-13	Legal Debt Margin Information	124
J-14	Demographic and Economic Statistics	125
J-15	Principal Employers	126
J-16	Full-Time Equivalent District Employees by Function/Program	127
J-17	Operating Statistics	128
J-18	School Building Information	129
J-19	Schedule of Required Maintenance for School Facilities	130
J-20	Schedule of Insurance	131

K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	131-133
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	134-136
K-3	Schedule of Expenditures of Federal Awards	137
K-4	Schedule of Expenditures of State Financial Assistance	138-139
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	140-141
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	142-143
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	144
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	145-46
K-8	Summary Schedule of Prior Year Findings	147

INTRODUCTORY SECTION

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

*Nicholas Cipriano
Superintendent of Schools*

201-933-6777

January 23, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Wood-Ridge Board of Education (the "Board") for the fiscal year ended June 30, 2018 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12 for the students residing in the Borough of Wood-Ridge. These include regular, vocational as well as special education for handicapped children. The District completed the 2017-2018 fiscal year with an enrollment of 1,311 students, an increase of 67 students over the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

The Wood-Ridge area is experiencing normal growth and expansion consistent with surrounding areas. The student population remains consistent with the previous year. The state unemployment rate for 2018 is reported at 6.5%, (4.00%) as reported by the US Bureau of Labor Statistics.

3) MAJOR INITIATIVES:

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

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the

cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2018.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

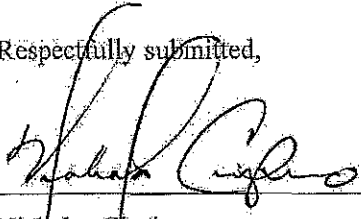
The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9) OTHER INFORMATION:

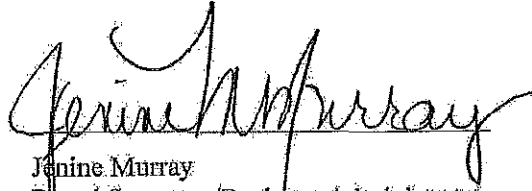
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP, was selected by the Board of Trustees. In addition to meeting the requirements set forth in state statutes, the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

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

Respectfully submitted,

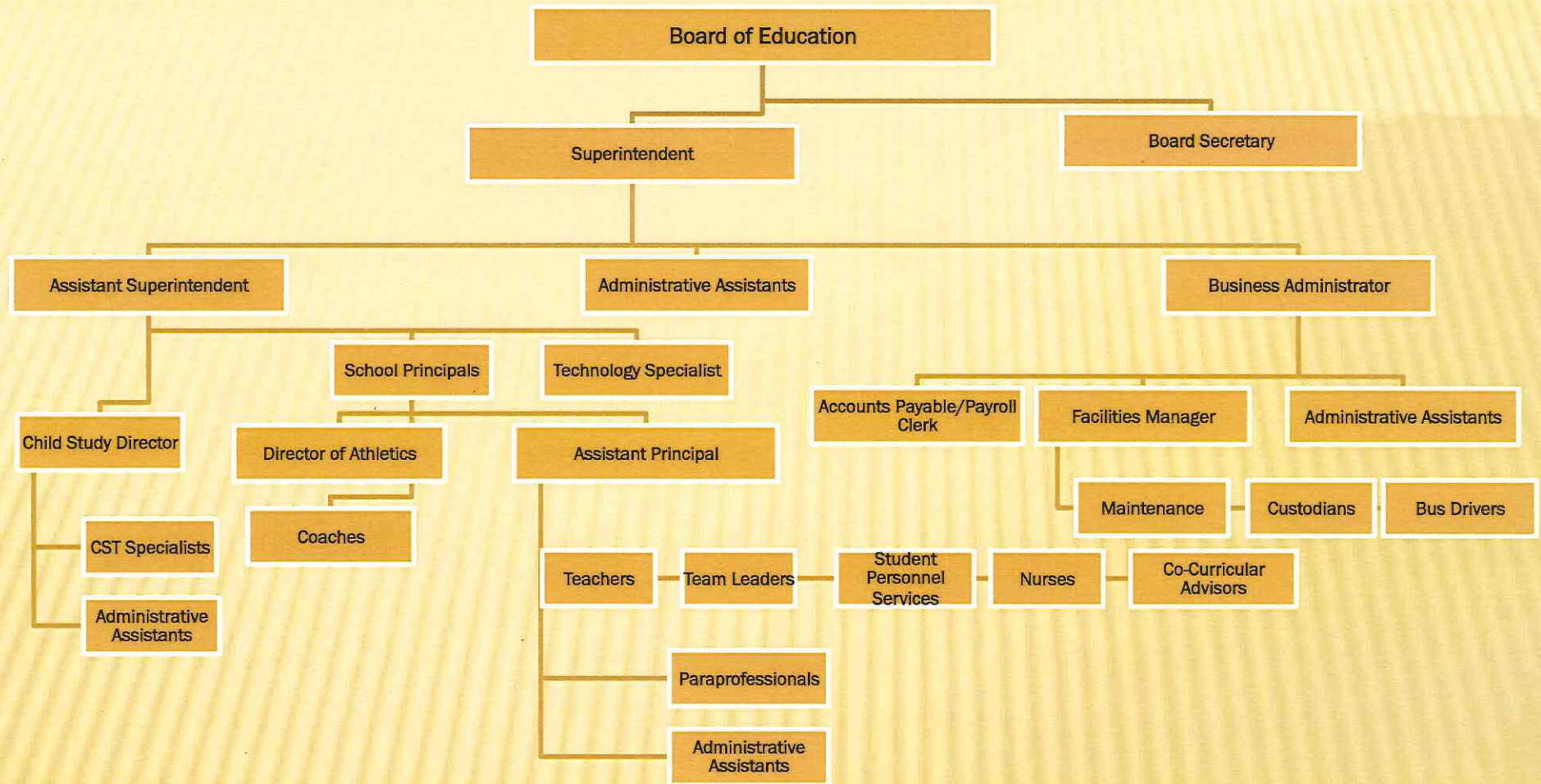


Nicholas Cipriano
Superintendent of Schools



Janine Murray
Board Secretary/Business Administrator

WOOD-RIDGE SCHOOL DISTRICT ORGANIZATIONAL CHART 2017-2018



WOOD-RIDGE BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2018**

MEMBERS OF THE BOARD OF EDUCATION

Term Expires December 31st

Albert Nieves, President	2018
Joseph Biamonte Jr., Vice President	2019
Patrick Ambrosio	2020
Christopher Garvin	2019
Thomas Schmidt	2018
Edmond Monti (Moonachie Representative)	

OTHER OFFICIALS

Nicholas Cipriano, Superintendent

Jenine M. Murray, Business Administrator/Board Secretary

WOOD-RIDGE BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2018

ARCHITECT

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

AUDIT FIRM

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ATTORNEY

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Kenney, Gross, Kovats and Parton
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P.O. Box 8610
Red Bank, New Jersey 07701

OFFICIAL DEPOSITORY

Capital One Bank, NA
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Rutherford, New Jersey 07070

TD Bank

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Hasbrouck Heights, New Jersey 07604

INSURANCE

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

Brown & Brown

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Lambertville, New Jersey 08530

BOND COUNSEL

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, New Jersey 07095

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Board of Education, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Board of Education as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Wood-Ridge Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

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

Other Information

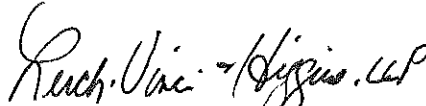
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wood-Ridge Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 23, 2019 on our consideration of the Wood-Ridge Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wood-Ridge Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wood-Ridge Board of Education's internal control over financial reporting and compliance.



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



Gary J Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 23, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The discussion and analysis of the Wood-Ridge Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$6,118,906 (net position).
- Total School District's net position increased \$428,819.
- District-Wide general revenues accounted for \$18,075,036 or 63 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$10,476,266 or 37 percent of total revenues of \$28,551,302.
- Total net position of governmental activities was \$6,019,136 as of June 30, 2018 an increase of \$408,927 from the previous year.
- The District had \$27,683,952 in expenses related to governmental activities; only \$10,017,843 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$18,075,036 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$22,813,023 in revenues and other financing sources, \$22,978,578 in expenditures and other financing uses. The General Fund's fund balance decreased \$165,555 from the previous year to \$1,909,081 at June 30, 2018.
- The General Fund unassigned budgetary fund balance increased \$114,007 from the previous year to \$519,164 at June 30, 2018.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Using the Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2018?" The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The following provides a summary of the District's net position as of June 30, 2018 and 2017.

	Net Position					
	As of June 30, 2018 and 2017					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
ASSETS						
Current Assets	\$ 3,082,169	\$ 4,924,434	\$ 153,118	\$ 78,768	\$ 3,235,287	\$ 5,003,202
Capital Assets	<u>21,044,324</u>	<u>19,630,764</u>	<u>19,224</u>	<u>23,815</u>	<u>21,063,548</u>	<u>19,654,579</u>
Total Assets	<u>24,126,493</u>	<u>24,555,198</u>	<u>172,342</u>	<u>102,583</u>	<u>24,298,835</u>	<u>24,657,781</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refunding of Debt	118,884	144,242			118,884	144,242
Deferred Amount on Net Pension Liability	<u>1,804,783</u>	<u>2,209,495</u>	<u>-</u>	<u>-</u>	<u>1,804,783</u>	<u>2,209,495</u>
Total Deferred Outflows of Resources	<u>1,923,667</u>	<u>2,353,737</u>	<u>-</u>	<u>-</u>	<u>1,923,667</u>	<u>2,353,737</u>
Total Assets and Deferred Outflows of Resources	<u>26,050,160</u>	<u>26,908,935</u>	<u>172,342</u>	<u>102,583</u>	<u>26,222,502</u>	<u>27,011,518</u>
LIABILITIES						
Other Liabilities	261,805	10,443,105	72,572	22,705	334,377	10,465,810
Long-Term Liabilities	<u>18,647,156</u>	<u>10,819,972</u>	<u>-</u>	<u>-</u>	<u>18,647,156</u>	<u>10,819,972</u>
Total Liabilities	<u>18,908,961</u>	<u>21,263,077</u>	<u>72,572</u>	<u>22,705</u>	<u>18,981,533</u>	<u>21,285,782</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	<u>1,122,063</u>	<u>35,649</u>	<u>-</u>	<u>-</u>	<u>1,122,063</u>	<u>35,649</u>
Total Deferred Inflows of Resources	<u>1,122,063</u>	<u>35,649</u>	<u>-</u>	<u>-</u>	<u>1,122,063</u>	<u>35,649</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,031,024</u>	<u>21,298,726</u>	<u>72,572</u>	<u>22,705</u>	<u>20,103,596</u>	<u>21,321,431</u>
NET POSITION						
Net Investment in Capital Assets	8,262,875	15,858,968	19,224	23,815	8,282,099	15,882,783
Restricted	2,423,270	1,670,471			2,423,270	1,670,471
Unrestricted	<u>(4,667,009)</u>	<u>(11,919,230)</u>	<u>80,546</u>	<u>56,063</u>	<u>(4,586,463)</u>	<u>(11,863,167)</u>
Total Net Position	<u>\$ 6,019,136</u>	<u>\$ 5,610,209</u>	<u>\$ 99,770</u>	<u>\$ 79,878</u>	<u>\$ 6,118,906</u>	<u>\$ 5,690,087</u>

The District's combined net position was \$6,118,906 at June 30, 2018, which was an increase of \$428,819 or 7.5 percent from the prior year.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The following schedule shows changes in net position for fiscal years ended June 30, 2018 and 2017.

Change in Net Position
for the Fiscal Years Ended June 30, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,911,034	\$ 1,757,641	\$ 313,367	\$ 293,632	\$ 2,224,401	\$ 2,051,273
Operating Grants and Contributions	7,754,867	6,338,049	145,056	145,847	7,899,923	6,483,896
Capital Grants and Contributions	351,942	844,458			351,942	844,458
General Revenues						
Property Taxes	17,668,216	16,827,609			17,668,216	16,827,609
Unrestricted State Aid	124,945	82,451			124,945	82,451
Other	281,875	217,580	-	-	281,875	217,580
Total Revenues	<u>28,092,879</u>	<u>26,067,788</u>	<u>458,423</u>	<u>439,479</u>	<u>28,551,302</u>	<u>26,507,267</u>
Expenses						
Instruction						
Regular	10,137,910	9,973,941			10,137,910	9,973,941
Special Education	5,972,224	5,420,002			5,972,224	5,420,002
Other Instruction	431,526	509,460			431,526	509,460
School Sponsored Activities and Athletics	630,485	706,810			630,485	706,810
Support Services						
Student and Instruction Related Services	3,349,914	3,022,317			3,349,914	3,022,317
General Administration Services	834,148	850,764			834,148	850,764
School Administration Services	1,598,397	1,401,041			1,598,397	1,401,041
Central and Other Support Services	927,667	788,960			927,667	788,960
Plant Operations and Maintenance	2,890,195	2,600,649			2,890,195	2,600,649
Pupil Transportation	815,929	782,790			815,929	782,790
Interest on Long Term Debt	95,557	109,013			95,557	109,013
Food Service	-	-	438,531	412,545	438,531	412,545
Total Expenses	<u>27,683,952</u>	<u>26,165,747</u>	<u>438,531</u>	<u>412,545</u>	<u>28,122,483</u>	<u>26,578,292</u>
Change in Net Position	408,927	(97,959)	19,892	26,934	428,819	(71,025)
Net Position, Beginning of Year	<u>5,610,209</u>	<u>5,708,168</u>	<u>79,878</u>	<u>52,944</u>	<u>5,690,087</u>	<u>5,761,112</u>
Net Position, Ending of Year	<u>\$ 6,019,136</u>	<u>\$ 5,610,209</u>	<u>\$ 99,770</u>	<u>\$ 79,878</u>	<u>\$ 6,118,906</u>	<u>\$ 5,690,087</u>

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Governmental Activities

The District's total revenues were \$28,092,879 and \$26,067,788 for the fiscal years ended June 30, 2018 and 2017, respectively. Property taxes comprised 63 percent and 65 percent of revenues for governmental activities for fiscal years ended June 30, 2018 and 2017, respectively. Federal, state and local grants of \$8,231,754 and \$7,264,958 accounted for another 29 percent and 28 percent of revenues for the fiscal years ended June 30, 2018 and 2017, respectively. The increase in federal, state and local grants for the current year is largely due to the net decrease in on-behalf TPAF pension and increase in on-behalf OPEB post retirement contributions realized during the current fiscal year.

The total cost of all programs and services was \$27,683,952 and \$26,165,747 for the fiscal years ended June 30, 2018 and 2017, respectively. The increase in expenses for the current year is also due to the additional on-behalf TPAF pension contributions reported for the District. Instruction comprises 62 and 63 percent of governmental program expenses for the fiscal years ended June 30, 2018 and 2017, respectively. Support services expenses make up 38 and 36 percent of governmental expenses for the fiscal years ended June 30, 2018 and 2017, respectively. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The schedule below shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue.

**Total and Net Cost of Services
for the Fiscal Years Ended June 30, 2018 and 2017**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	\$ 10,137,910	\$ 9,973,941	\$ 4,333,477	\$ 5,097,472
Special Education	5,972,224	5,420,002	3,979,377	3,603,828
Other Instruction	431,526	509,460	294,286	346,161
School Sponsored Activities and Athletics	630,485	706,810	462,561	500,195
Support Services				
Student and Instruction Related Services	3,349,914	3,022,317	2,583,503	2,514,006
General Administration Services	834,148	850,764	721,872	762,334
School Administration Services	1,598,397	1,401,041	1,200,904	1,089,529
Central and Other Support Services	927,667	788,960	825,640	723,138
Plant Operations and Maintenance	2,890,195	2,600,649	2,399,658	1,733,842
Pupil Transportation	815,929	782,790	773,475	746,081
Interest on Long Term Debt	<u>95,557</u>	<u>109,013</u>	<u>91,356</u>	<u>109,013</u>
Total	<u>\$ 27,683,952</u>	<u>\$ 26,165,747</u>	<u>\$ 17,666,109</u>	<u>\$ 17,225,599</u>

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

WOOD-RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$458,423 and expenses of \$438,531 during the fiscal year ended June 30, 2018. Of the revenues, \$313,367 were charges for services paid by patrons for daily food service, and \$145,056 were from State and Federal reimbursements for the fiscal year ended June 30, 2018.

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 \$24,033,437 and \$22,918,472 and expenditures were \$25,077,290 and \$26,857,895 for the fiscal years ended June 30, 2018 and 2017, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2018 and 2017.

<u>Revenue</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2018</u>	<u>2017</u>		
Local Sources	\$ 19,879,053	\$ 18,826,940	\$ 1,052,113	6%
State Sources	3,767,526	3,706,100	61,426	2%
Federal Sources	<u>386,858</u>	<u>385,432</u>	<u>1,426</u>	0%
Total	<u>\$ 24,033,437</u>	<u>\$ 22,918,472</u>	<u>\$ 1,114,965</u>	<u>5%</u>

For fiscal year 2018 total governmental revenues increased \$1,114,965 or 5% from the previous year. The increase in local sources of \$1,052,113 or 6% was attributable to an increase in property taxes to support increases in budgeted operating costs. As indicated state sources increased \$61,426 or 2% mainly due to an increase of state aid. The increase in federal sources of \$1,426 was a result of increased NCLB and IDEA grant funds.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2018 and 2017.

<u>Expenditure</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2018</u>	<u>2017</u>		
Current				
Instruction	\$ 14,652,776	\$ 13,975,835	\$ 676,941	5%
Support Services	8,303,978	7,840,044	463,934	6%
Debt Service	528,377	528,571	(194)	0%
Capital Outlay	<u>1,592,159</u>	<u>4,513,445</u>	<u>(2,921,286)</u>	-65%
Total	<u>\$ 25,077,290</u>	<u>\$ 26,857,895</u>	<u>\$ (1,780,605)</u>	<u>-7%</u>

For fiscal year 2018, total governmental funds expenditures decreased \$1,780,605 or 7%. Increases in instruction costs were attributable to special education programs and increases in support services costs were attributable to administrative services, as well as plant operations and maintenance costs. Capital outlay decreased significantly as a result of the activity related to the 2014 referendum project.

Of the governmental funds, the General Fund had \$22,812,085 in revenues (predominately property taxes), and \$22,918,578 in expenditures. Other financing uses exceeded sources by \$59,062. As a result the General Fund's fund balance decreased \$165,555 from \$2,074,636 at June 30, 2017 to \$1,909,081 at June 30, 2018.

General Fund Budgetary Highlights

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

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

For the fiscal year 2018 General Fund budgetary revenues and other financing sources were less than budgetary expenditures and other financing uses decreasing budgetary fund balance \$123,825. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$114,007 - from an unassigned fund balance of \$405,157 at June 30, 2017 to \$519,164 at June 30, 2018. In addition, restricted fund balance for capital reserve decreased \$335,016 from \$1,600,665 at June 30, 2017 to \$1,265,649 at June 30, 2018.

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Capital Assets

At the end of fiscal years 2018 and 2017, the District had \$21,063,548 and \$19,654,579 invested in construction in progress, buildings, land improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation increased \$1,408,969 from fiscal year 2017 to fiscal year 2018. The following schedule is a comparison of capital assets net of depreciation at June 30, 2018 and 2017.

Capital Assets, Net of Depreciation
As of June 30, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Construction in Progress	\$ 2,835,229	\$ 7,732,277		
Land Improvements	1,074,094	112,609		
Building and Building Improvements	17,011,957	11,610,561		
Machinery and Equipment	<u>123,044</u>	<u>175,317</u>	\$ 19,224	\$ 23,815
Total	<u>\$ 21,044,324</u>	<u>\$ 19,630,764</u>	<u>\$ 19,224</u>	<u>\$ 23,815</u>

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

Long-Term Liabilities

At June 30, 2018 and 2017, the District had \$18,647,156 and \$10,819,972 of long-term liabilities, respectively. Of this amount, \$12,900,333 and \$3,916,038 is for school refunding bonds, \$-0- and \$59,585 is for capital leases, \$286,686 and \$213,225 is for compensated absences and \$5,460,137 and \$6,631,124 is for the District's net pension liability, respectively. For fiscal year 2018 total outstanding long-term liabilities increased by \$7,827,184 from the prior year. The Board issued \$9,377,000 of school bonds to finance the various capital projects approved by the voters in 2014.

Long-Term Liabilities
As of June 30, 2018 and 2017

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Serial Bonds Payable (including premium)	\$ 12,900,333	\$ 3,916,038
Capital Leases		59,585
Compensated Absences	286,686	213,225
Net Pension Liability	<u>5,460,137</u>	<u>6,631,124</u>
Total	<u>\$ 18,647,156</u>	<u>\$ 10,819,972</u>

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

WOOD-RIDGE BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

For the Future

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

Wood-Ridge Board of Education's budget for 2018-2019 was approved by the Board in April of 2018. Budgeted expenditures in the General Fund increased 2% to \$21,383,465 for fiscal year 2018-2019.

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

WOOD-RIDGE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,984,881	\$ 144,556	\$ 2,129,437
Receivables, net	1,097,288	6,338	1,103,626
Inventory		2,224	2,224
Capital Assets			
Not Being Depreciated	2,835,229		2,835,229
Being Depreciated, Net	18,209,095	19,224	18,228,319
Total Assets	<u>24,126,493</u>	<u>172,342</u>	<u>24,298,835</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	118,884		118,884
Deferred Amount of Net Pension Liability	1,804,783		1,804,783
Total Deferred Outflows of Resources	<u>1,923,667</u>		<u>1,923,667</u>
Total Assets and Deferred Outflows of Resources	<u>26,050,160</u>	<u>172,342</u>	<u>26,222,502</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	29,964	72,572	102,536
Due to Other Funds	1,462		1,462
Unearned Revenue	184,041		184,041
Accrued Interest Payable	46,338		46,338
Noncurrent Liabilities			
Due Within One Year	403,669		403,669
Due Beyond One Year	18,243,487		18,243,487
Total Liabilities	<u>18,908,961</u>	<u>72,572</u>	<u>18,981,533</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	1,122,063		1,122,063
Total Deferred Inflows of Resources	<u>1,122,063</u>	<u>-</u>	<u>1,122,063</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,031,024</u>	<u>72,572</u>	<u>20,103,596</u>
NET POSITION			
Net Investment in Capital Assets	8,262,875	19,224	8,282,099
Restricted for:			
Debt Service	69,806		69,806
Maintenance Projects	200,000		200,000
Capital Projects	2,153,464		2,153,464
Unrestricted	(4,667,009)	80,546	(4,586,463)
Total Net Position	<u>\$ 6,019,136</u>	<u>\$ 99,770</u>	<u>\$ 6,118,906</u>

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

**WOOD-RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 10,137,910	\$ 1,911,034	\$ 3,893,399		\$ (4,333,477)		\$ (4,333,477)
Special Education	5,972,224		1,992,847		(3,979,377)		(3,979,377)
Other Instruction	431,526		137,240		(294,286)		(294,286)
School Sponsored Activities and Athletics	630,485		167,924		(462,561)		(462,561)
Support Services							
Student and Instruction Related Svcs.	3,349,914		766,411		(2,583,503)		(2,583,503)
General Administrative Services	834,148		112,276		(721,872)		(721,872)
School Administrative Services	1,598,397		397,493		(1,200,904)		(1,200,904)
Plant Operations and Maintenance	2,890,195		138,595	\$ 351,942	(2,399,658)		(2,399,658)
Pupil Transportation	815,929		42,454		(773,475)		(773,475)
Business Services	927,667		102,027		(825,640)		(825,640)
Interest on Long-Term Debt	95,557		4,201		(91,356)		(91,356)
Total Governmental Activities	27,683,952	1,911,034	7,754,867	351,942	(17,666,109)	-	(17,666,109)
Business-Type Activities							
Food Service	438,531	313,367	145,056	-		\$ 19,892	19,892
Total Business-Type Activities	438,531	313,367	145,056	-	-	19,892	19,892
Total Primary Government	\$ 28,122,483	\$ 2,224,401	\$ 7,899,923	\$ 351,942	(17,666,109)	19,892	(17,646,217)
General Revenues:							
Property Taxes, Levied for General Purposes					17,220,119		17,220,119
Property Taxes, Levied for Debt Service					448,097		448,097
State Aid - Unrestricted					110,743		110,743
Debt Service Aid					14,202		14,202
Miscellaneous Income					281,875		281,875
Total General Revenues					18,075,036	-	18,075,036
Change in Net Position					408,927	19,892	428,819
Net Position, Beginning of Year					5,610,209	79,878	5,690,087
Net Position, End of Year					\$ 6,019,136	\$ 99,770	\$ 6,118,906

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

FUND FINANCIAL STATEMENTS

**WOOD-RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,716,517		\$ 198,558	\$ 69,806	\$ 1,984,881
Due From Other Funds	54,015				54,015
Receivables, Net					
Receivables From Other Governments	193,370	\$ 64,594	839,324	-	1,097,288
Total Assets	\$ 1,963,902	\$ 64,594	\$ 1,037,882	\$ 69,806	\$ 3,136,184
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 29,109		\$ 855		\$ 29,964
Due To Other Funds	1,462	\$ 54,015			55,477
Unearned Revenue	24,250	10,579	149,212	-	184,041
Total Liabilities	54,821	64,594	150,067	-	269,482
Fund Balances					
Restricted Fund Balance					
Capital Reserve	1,265,649				1,265,649
Maintenance Reserve	200,000				200,000
Capital Projects			887,815		887,815
Debt Service				\$ 69,806	69,806
Assigned Fund Balance					
Designated for Subsequent Year's Budget	194,814				194,814
Encumbrances	69,136				69,136
Unassigned Fund Balance	179,482	-	-	-	179,482
Total Fund Balances	1,909,081	-	887,815	69,806	2,866,702
Total Liabilities and Fund Balances	\$ 1,963,902	\$ 64,594	\$ 1,037,882	\$ 69,806	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$28,166,588 and the accumulated depreciation is \$7,122,264. 21,044,324

Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (18,647,156)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 118,884

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (46,338)

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

	Deferred Outflows of Resources	\$ 1,804,783	
	Deferred Inflows of Resources	(1,122,063)	
			682,720

Net Position of Governmental Activities \$ 6,019,136

WOOD-RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	\$ 17,220,119			\$ 448,097	\$ 17,668,216
Tuition	1,911,034				1,911,034
Miscellaneous	281,875	\$ 17,928			299,803
Total - Local Sources	19,413,028	17,928	-	448,097	19,879,053
State Sources	3,397,181		\$ 351,942	18,403	3,767,526
Federal Sources	1,876	384,982			386,858
Total Revenues	22,812,085	402,910	351,942	466,500	24,033,437
EXPENDITURES					
Current					
Instruction					
Regular Instruction	8,176,315	105,780			8,282,095
Special Education Instruction	5,213,779	273,253			5,487,032
Other Instruction	351,312				351,312
School Sponsored Activities and Athletics	532,337				532,337
Support Services					
Student and Instruction Related Services	2,829,725	23,877			2,853,602
General Administrative Services	727,481				727,481
School Administrative Services	1,308,684				1,308,684
Plant Operations and Maintenance	1,800,895				1,800,895
Pupil Transportation	803,205				803,205
Business Services	810,111				810,111
Debt Service					
Principal	59,585			360,000	419,585
Interest	2,292			106,500	108,792
Capital Outlay	302,857		1,289,302		1,592,159
Total Expenditures	22,918,578	402,910	1,289,302	466,500	25,077,290
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(106,493)	-	(937,360)	-	(1,043,853)
OTHER FINANCING SOURCES (USES)					
Serial Bond Proceeds			9,377,000		9,377,000
Premium on Serial Bond Proceeds			938		938
Transfers In	938		60,000		60,938
Transfers Out	(60,000)		(938)		(60,938)
Total Other Financing Sources and Uses	(59,062)	-	9,437,000	-	9,377,938
Net Change in Fund Balance	(165,555)	-	8,499,640	-	8,334,085
Fund Balance, Beginning of Year	2,074,636	-	(7,611,825)	69,806	(5,467,383)
Fund Balance, End of Year	\$ 1,909,081	\$ -	\$ 887,815	\$ 69,806	\$ 2,866,702

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

**WOOD-RIDGE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 8,334,085**

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

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

Capital Outlay	\$ 1,592,159	
Depreciation Expense	<u>(888,448)</u>	703,711

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 709,849

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

Principal Repayments:		
Bonds Payable	360,000	
Capital Leases Payable	<u>59,585</u>	419,585

Proceeds from debt issues are a financing sources in the governmental funds. They are not Revenue in the Statement of Activities; issuing debt increases long term liabilities in the Statement of Net Position.

School Bond Proceeds	(9,377,000)	
Original Issue Premium	<u>(938)</u>	(9,377,938)

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

Deferred Amount on Refunding	(25,358)	
Original Issue Premium	<u>33,643</u>	8,285

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

Net Increase in Compensated Absences		(73,461)
Net Increase in Pension Expense		(320,139)

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

Decrease in Accrued Interest		<u>4,950</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 408,927**

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

**WOOD-RIDGE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 144,556
Intergovernmental Receivable	
State	245
Federal	6,093
Inventories	<u>2,224</u>
 Total Current Assets	 <u>153,118</u>

Noncurrent Assets

Furniture, Machinery and Equipment	88,672
Less Accumulated Depreciation	<u>(69,448)</u>
 Total Capital Assets, Net	 <u>19,224</u>
 Total Assets	 <u>172,342</u>

LIABILITIES

Accounts Payable	<u>72,572</u>
 Total Liabilities	 <u>72,572</u>

NET POSITION

Investment in Capital Assets	19,224
Unrestricted	<u>80,546</u>
 Total Net Position	 <u><u>\$ 99,770</u></u>

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

**WOOD-RIDGE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

OPERATING REVENUES

Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 205,785
Non-Reimbursable Programs	106,212
Special Functions	<u>1,370</u>
 Total Operating Revenues	 <u>313,367</u>

OPERATING EXPENSES

Cost of Sales	
Reimbursable Programs	138,086
Non-Reimbursable Programs	33,988
Salaries and Benefits	191,018
Management Fee	25,384
Other Purchased Services	12,619
Supplies and Materials	18,787
Miscellaneous Expenses	14,058
Depreciation	<u>4,591</u>
 Total Operating Expenses	 <u>438,531</u>

Operating Income/(Loss)	<u>(125,164)</u>
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NONOPERATING REVENUES

State Sources	
School Lunch Program	4,485
Federal Sources	
Food Distribution Program	34,309
National School Lunch Program	96,156
School Breakfast Program	<u>10,106</u>
 Total Nonoperating Revenues	 <u>145,056</u>

Change in Net Position	19,892
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Net Position, Beginning of Year	<u>79,878</u>
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Net Position, End of Year	<u><u>\$ 99,770</u></u>
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WOOD-RIDGE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 313,367
Payments for Employees Salaries and Benefits	(191,018)
Payments to Suppliers for Goods and Services	<u>(158,730)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(36,381)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State and Federal Subsidy Reimbursements	<u>111,296</u>
Net Cash Provided by Noncapital Financing Activities	<u>111,296</u>
Net Change in Cash and Cash Equivalents	74,915
Cash and Cash Equivalents, Beginning of Year	<u>69,641</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 144,556</u></u>

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

Operating Income/(Loss)	\$ (125,164)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities	
Non-Cash Federal Assistance- National School Lunch Program (Food Distribution)	34,309
Depreciation	4,591
Changes in Assets and Liabilities	
(Increase) Decrease in Inventories	16
Increase (Decrease) in Accounts Payable	<u>49,867</u>
Total Adjustments	<u>88,783</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (36,381)</u></u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution)	<u>\$ 34,309</u>

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

**WOOD-RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2018**

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 13,874	\$ 52,155	\$ 186,482
Due From Other Funds		-	1,462
	<u>13,874</u>	<u>52,155</u>	<u>\$ 187,944</u>
LIABILITIES			
Intergovernmental Payable		\$ 7,724	
Due To Student Groups			\$ 134,997
Payroll Deductions and Withholdings			12,617
Accrued Salaries and Wages			19,680
Reserve for Flexible Spending			20,650
	<u>-</u>	<u>7,724</u>	<u>\$ 187,944</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 13,874</u>	<u>\$ 44,431</u>	

**WOOD-RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Scholarship Trust Fund	Unemployment Compensation Trust
ADDITIONS		
Investment Earnings		
Interest	\$ 25	
Payroll Deductions		\$ 20,260
	25	20,260
Total Additions	25	20,260
DEDUCTIONS		
Scholarships Awards	750	
Unemployment Claims and Contributions		48,763
	750	48,763
Total Deductions	750	48,763
Change in Net Position	(725)	(28,503)
Net Position, Beginning of Year	14,599	72,934
Net Position, End of Year	\$ 13,874	\$ 44,431

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

NOTES TO THE FINANCIAL STATEMENTS

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Wood-Ridge Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A superintendent of schools is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Wood-Ridge Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2018, the District adopted the following GASB statements as required:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the fiscal year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	10-50
Machinery and Equipment	5-20

5. Deferred Outflows/Inflows of Resources

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

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

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

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

8. Long-Term Obligations

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

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

WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3c).

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

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

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

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Bonds Payable	\$ (12,747,000)
Issuance Premium (to be amortized over life of debt)	(153,333)
Compensated Absences	(286,686)
Net Pension Liability	<u>(5,460,137)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (18,647,156)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$416,969. The increase was funded by additional state aid, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved the withdrawal of \$60,000 in capital reserve funds to transfer to the Capital Projects Fund for the High School cafeteria improvements.

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

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

B. Capital Reserve

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

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ 1,600,665
Increased by:		
Deposits Approved by Board Resolution		<u>24,984</u>
		1,625,649
Withdrawals:		
Approved Transfers to		
Capital Projects Fund	\$ 60,000	
Approved in District Budget	<u>300,000</u>	
		<u>360,000</u>
Balance, June 30, 2018		<u>\$ 1,265,649</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

C Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ -
Increased by:		
Deposits Approved by Board Resolution		<u>200,000</u>
Balance, June 30, 2018		<u>\$ 200,000</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,058,320.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2018, the book value of the Board's deposits were \$2,381,948 and bank and brokerage firm balances of the Board's deposits amounted to \$3,252,369. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>3,252,369</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2018 none of Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2018, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2018 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 64,594		\$ 6,093	\$ 70,687
State	\$ 28,452		\$ 839,324	245	868,021
Local	164,918	-	-	-	164,918
Gross Receivables	193,370	64,594	839,324	6,338	1,103,626
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 193,370</u>	<u>\$ 64,594</u>	<u>\$ 839,324</u>	<u>\$ 6,338</u>	<u>\$ 1,103,626</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund	
Prepaid Tuition Revenue	\$ 24,250
Special Revenue Fund	
Unencumbered Grant Draw Downs	10,579
Capital Projects fund	
Unrealized School Facilities Grants	<u>149,212</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 184,041</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance, <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2018</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 7,732,277	\$ 1,279,306	-	\$ (6,176,354)	\$ 2,835,229
Total Capital Assets, Not Being Depreciated	<u>7,732,277</u>	<u>1,279,306</u>	-	<u>(6,176,354)</u>	<u>2,835,229</u>
Capital Assets, Being Depreciated:					
Land Improvements	294,009	1,009,849			1,303,858
Buildings and Building Improvements	16,548,402			6,176,354	22,724,756
Machinery and equipment	<u>1,289,892</u>	<u>12,853</u>	-	-	<u>1,302,745</u>
Total Capital Assets Being Depreciated	<u>18,132,303</u>	<u>1,022,702</u>	-	<u>6,176,354</u>	<u>25,331,359</u>
Less Accumulated Depreciation for:					
Land Improvements	(181,400)	(48,364)			(229,764)
Buildings and Building Improvements	(4,937,841)	(774,958)			(5,712,799)
Machinery and Equipment	<u>(1,114,575)</u>	<u>(65,126)</u>	-	-	<u>(1,179,701)</u>
Total Accumulated Depreciation	<u>(6,233,816)</u>	<u>(888,448)</u>	-	-	<u>(7,122,264)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,898,487</u>	<u>134,254</u>	-	-	<u>18,209,095</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,630,764</u>	<u>\$ 1,413,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,044,324</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 88,672	-	-	\$ 88,672
Total Capital Assets Being Depreciated	<u>88,672</u>	<u>-</u>	<u>-</u>	<u>88,672</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(64,857)	\$ (4,591)	-	(69,448)
Total Accumulated Depreciation	<u>(64,857)</u>	<u>(4,591)</u>	<u>-</u>	<u>(69,448)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,815</u>	<u>\$ (4,591)</u>	<u>\$ -</u>	<u>\$ 19,224</u>

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

Governmental Activities:

Instruction	
Regular	\$ 56,916
Total Instruction	<u>56,916</u>
Support Services	
Student and Instruction Related Services	1,958
General Administrative Services	1,483
School Administrative Services	3,477
Plant Operations And Maintenance	824,614
Total Support Services	<u>831,532</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 888,448</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 4,591</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2018:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC Upgrades at High School	\$ 3,355,858	\$ 86,252
Courtyard Renovations	-	<u>99,491</u>
Total		<u>\$ 185,743</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 54,015
Payroll Agency Fund	General Fund	<u>1,462</u>
		<u>\$ 55,477</u>

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

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

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 60,000	\$ 60,000
Capital Projects Fund	\$ 938	-	<u>938</u>
	<u>\$ 938</u>	<u>\$ 60,000</u>	<u>\$ 60,938</u>

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

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2018 were \$49,176. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2019	\$ 49,128
2020	49,128
2021	49,128
2022	39,503
2023	<u>17,352</u>
Total	<u>\$ 204,239</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2018 are comprised of the following issues:

\$4,450,000, 2013 Refunding Bonds, due in annual installments of \$375,000 to \$460,000 through July 15, 2025 interest at 3.0%	\$ 3,370,000
\$9,377,000, 2017 School Bonds, due in annual installments of \$302,000 to \$600,000 through September 15, 2037 interest at 2.0% to 3.0%	<u>9,377,000</u>
	<u>\$ 12,747,000</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 375,000	\$ 454,046	\$ 829,046
2020	692,000	328,270	1,020,270
2021	710,000	310,300	1,020,300
2022	740,000	291,725	1,031,725
2023	765,000	272,450	1,037,450
2024-2028	3,640,000	1,070,950	4,710,950
2029-2033	3,000,000	648,750	3,648,750
2034-2038	<u>2,825,000</u>	<u>203,625</u>	<u>3,028,625</u>
	<u>\$ 12,747,000</u>	<u>\$ 3,580,116</u>	<u>\$ 16,327,116</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 48,446,732
Less: Bonds Issued and Bonds Authorized But Not Issued	<u>12,747,513</u>
Remaining Borrowing Power	<u>\$ 35,699,219</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	Balance, July 1, 2017	Additions	Reductions	Balance, June 30, 2018	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 3,730,000	\$ 9,377,000	\$ 360,000	\$ 12,747,000	\$ 375,000
Add: Premium on Refunding	186,038	938	33,643	153,333	-
Bonds Payable, Net	3,916,038	9,377,938	393,643	12,900,333	375,000
Capital Leases	59,585		59,585		
Compensated Absences	213,225	73,461		286,686	28,669
Net Pension Liability	6,631,124	-	1,170,987	5,460,137	-
Governmental Activity Long-Term Liabilities	<u>\$ 10,819,972</u>	<u>\$ 9,451,399</u>	<u>\$ 1,624,215</u>	<u>\$ 18,647,156</u>	<u>\$ 403,669</u>

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

I. Short-Term Debt

The Board's short-term activity for the fiscal year ended June 30, 2018 was as follows:

Bond Anticipation Notes/Grant Anticipation Notes/Loans Payable

The Board issues Bond Anticipation Notes ("Project Notes") to interim finance the 2014 Referendum Capital Projects. The Board's short-term debt activity for the fiscal year ended June 30, 2018 was as follows:

Purpose	Rate %	Maturity Date	Balance, July 1, 2017	Issued	Retired	Balance, June 30, 2018
2016 Referendum - Various Improvements	2.00	11/2/2017	\$ 9,377,513	\$ -	\$ 9,377,513	\$ -
			<u>\$ 9,377,513</u>	<u>\$ -</u>	<u>\$ 9,377,513</u>	<u>\$ -</u>

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

The District is a member of the School Alliance Insurance Fund (SAIF). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 20,260	\$ 48,763	\$ 44,431
2017	39,399	47,418	72,934
2016	28,504	24,254	80,953

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2018, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

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

Other Pension Funds

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

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

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

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of 90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2016 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.00 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2018	\$ 217,293	\$ 1,049,666	\$ 11,508
2017	198,905	709,099	7,734
2016	175,698	522,647	7,270

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$2,317 and \$1,094, respectively for PERS and the State contributed \$2,401 and \$2,411, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$569,228 during the fiscal year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$5,460,137 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the District's proportionate share was .02346 percent, which was an increase of .00107 percent from its proportionate share measured as of June 30, 2016 of .02239 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$537,432 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 128,567	
Changes of Assumptions	1,100,029	\$ 1,095,997
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	37,180	
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>539,007</u>	<u>26,066</u>
Total	<u>\$ 1,804,783</u>	<u>\$ 1,122,063</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 267,495
2020	325,298
2021	237,672
2022	(59,739)
2023	(88,006)
Thereafter	<u>-</u>
	<u>\$ 682,720</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25 %
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,773,671</u>	<u>\$ 5,460,137</u>	<u>\$ 4,365,801</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,944,548 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$42,505,241. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .06304 percent, which was a decrease of .00224 percent from its proportionate share measured as of June 30, 2016 of .06528 percent.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2018	June 30, 2017	4.25%
2017	June 30, 2016	3.22%

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2036
Municipal Bond Rate *	From July 1, 2036 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 50,497,560</u>	<u>\$ 42,505,241</u>	<u>\$ 35,921,134</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2016, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$677,958, \$590,841 and \$622,328, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,132,669. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$34,126,649. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .6362 percent, which was a decrease of .00018 percent from its proportionate share measured as of June 30, 2016 of .6380 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>36,895,337</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 1,521,067
Interest on the Total OPEB Liability	1,084,204
Changes of Assumptions	(4,508,624)
Gross Benefit Payments	(898,417)
Contributions from the Member	<u>33,082</u>
Net Changes	\$ <u>(2,768,688)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>34,126,649</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>40,510,794</u>	\$ <u>34,126,649</u>	\$ <u>29,062,684</u>

**WOOD-RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>28,065,870</u>	\$ <u>34,126,649</u>	\$ <u>42,175,292</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

F. Tax Abatements

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

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 17,220,119		\$ 17,220,119	\$ 17,220,119	
Tuition From Individuals	479,200		479,200	491,511	\$ 12,311
Tuition - From Other LEA's Within the State	1,627,575		1,627,575	1,419,523	(208,052)
Interest Earned on Capital Reserve Funds	100		100		(100)
Unrestricted Miscellaneous Revenues	41,000	-	41,000	281,875	240,875
Total Local Sources	19,367,994	-	19,367,994	19,413,028	45,034
State Sources					
Special Education Aid	662,355		662,355	662,355	
Security Aid	22,479		22,479	22,479	
Transportation Aid	36,887		36,887	36,887	
PARCC Readiness Aid	10,940		10,940	10,940	
Per Pupil Growth Aid	10,940		10,940	10,940	
Professional Learning Community Aid	10,980		10,980	10,980	
Equalization Aid	40,733	\$ 38,767	79,500	79,500	
Extraordinary Aid	200,000		200,000	305,577	105,577
On Behalf TPAF (Non Budgeted)					
Pension Contribution				1,024,797	1,024,797
NCGI Premium				24,869	24,869
LTDI				2,401	2,401
Post Retirement Medical Contributions				677,958	677,958
Social Security Contributions				569,228	569,228
Total State Sources	995,314	38,767	1,034,081	3,438,911	2,404,830
Federal Sources					
Medicaid Assistance Program (SEMI)	21,227	-	21,227	1,876	(19,351)
Total Federal Sources	21,227	-	21,227	1,876	(19,351)
Total Revenues	20,384,535	38,767	20,423,302	22,853,815	2,430,513
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	221,412	3,086	224,498	224,498	
Kindergarten	308,334	456	308,790	308,790	
Grades 1-5	1,485,408	(9,154)	1,476,254	1,476,254	
Grades 6-8	1,029,905	(40,315)	989,590	989,092	498
Grades 9-12	1,944,072	21,956	1,966,028	1,965,579	449
Regular Programs - Home Instruction					
Salaries of Teachers	10,000	-	10,000	3,652	6,348
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	128,252	25,745	153,997	153,997	
Purchased Professional/Educational Services	1,000	(1,000)			
Purchased Technical Services	1,000	-	1,000	830	170
Other Purchased Services	67,800	10,508	78,308	78,238	70
General Supplies	221,747	12,819	234,566	224,245	10,321
Textbooks	26,079	(11,683)	14,396	13,675	721
Other Objects	1,000	(1,000)			
Total Regular Programs	5,446,009	11,418	5,457,427	5,438,850	18,577
Resource Room/Resource Center					
Salaries of Teachers	1,090,944	17,049	1,107,993	1,107,993	
Other Salaries for Instruction	57,459	(613)	56,846	56,846	
General Supplies	8,305	(514)	7,791	7,791	
Textbooks	200	(200)			
Total Resource Room/Resource Center	1,156,908	15,722	1,172,630	1,172,630	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	119,260	40,990	160,250	160,250	
Other Salaries for Instruction	35,934	11,445	47,379	47,379	
Total Preschool Disabilities - Part-Time	155,194	52,435	207,629	207,629	-
Home Instruction					
Salaries of Teachers	28,960	(5,834)	23,126	23,126	
Total Home Instruction	28,960	(5,834)	23,126	23,126	-
Total Special Education	1,341,062	62,323	1,403,385	1,403,385	-

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 64,539	\$ 1,280	\$ 65,819	\$ 65,819	
General Supplies	300	-	300	287	\$ 13
Total Basic Skills/Remedial	64,839	1,280	66,119	66,106	13
Bilingual Education					
Salaries of Teachers	105,448	(52,543)	52,905	52,555	350
General Supplies	200	-	200	139	41
Total Bilingual Education	105,648	(52,543)	53,105	52,714	391
School Sponsored Co/Extra Curricular Activities					
Salaries	105,744	18,594	124,338	103,393	20,945
Supplies and Materials	3,385	(609)	2,776	730	2,046
Other Objects	1,850	1,060	2,910	2,064	846
Total School Sponsored Co/Extra Curricular Activities	110,979	19,045	130,024	106,187	23,837
School Sponsored Athletics					
Salaries	235,570	(48,459)	187,111	176,057	11,054
Purchased Services	45,968	16,130	62,098	59,548	2,550
Supplies and Materials	36,790	2,294	39,084	36,071	3,013
Other Objects	19,335	2,703	22,038	19,620	2,418
Total School Sponsored Athletics	337,663	(27,332)	310,331	291,296	19,035
Before/After School Programs - Instruction					
Salaries of Teacher Tutors	96,700	13,313	110,013	110,013	-
Supplies and Materials	10,000	(68)	9,932	9,932	-
Total Before/After School Programs - Instruction	106,700	13,245	119,945	119,945	-
Total Instruction	7,512,900	27,436	7,540,336	7,478,483	61,853
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/ State - Special	1,008,988	203,378	1,212,366	1,140,357	72,009
Tuition to County Voc. School District-Regular	401,598	(136,944)	264,654	255,527	9,127
Tuition to County Voc. School District-Special	496,524	58,510	555,034	543,704	11,330
Tuition to CSSD and Regional Day Schools	477,401	(88,052)	389,349	389,349	-
Tuition to Priv. Sch. for the Disabled - w/ state	880,086	181,790	1,061,876	1,051,818	10,058
Tuition - Other	12,000	(12,000)	-	-	-
Total Undistributed Expenditures - Instruction	3,276,597	206,682	3,483,279	3,380,755	102,524
Attendance and Social Work					
Other Purchased Services	750	(150)	600	600	-
Supplies and Materials	4,500	90	4,590	4,590	-
Total Attendance and Social Work	5,250	(60)	5,190	5,190	-
Health Services					
Salaries	189,174	21,385	210,559	210,559	-
Purchased Professional and Technical Services	14,500	(47)	14,453	14,453	-
Supplies and Materials	4,500	(626)	3,874	3,874	-
Total Health Services	208,174	20,712	228,886	228,886	-
Speech, OT, PT & Related Services					
Salaries	143,960	5,959	149,919	149,918	1
Purchased Professional-Educational Services	628,240	(28,599)	599,641	531,321	68,320
Supplies and Materials	1,700	(790)	910	910	-
Total Speech, OT, PT & Related Services	773,900	(23,430)	750,470	682,149	68,321

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	\$ 195,085	\$ (53,151)	\$ 141,934	\$ 141,615	\$ 319
Purchased Professional/Educational Services	25,000	22,442	47,442	47,442	-
Total Other Supp.Serv. Student - Extra Services	<u>220,085</u>	<u>(30,709)</u>	<u>189,376</u>	<u>189,057</u>	<u>319</u>
Guidance					
Salaries of Other Professional Staff	237,913	(50,390)	187,523	187,523	-
Salaries of Secretarial & Clerical Assistants	50,246	2,754	53,000	53,000	-
Purchased Professional/Educational Services	9,300	(1,651)	7,649	7,531	118
Supplies and Materials	6,295	1,065	7,360	7,316	44
Other Objects	100	(100)	-	-	-
Total Guidance	<u>303,854</u>	<u>(48,322)</u>	<u>255,532</u>	<u>255,370</u>	<u>162</u>
Child Study Teams					
Salaries of Other Professional Staff	-	352,500	352,500	352,500	-
Salaries of Secretarial & Clerical Assistants	50,246	254	50,500	50,500	-
Purchased Professional- Educational Services	477,025	(442,260)	34,765	34,465	300
Miscellaneous Purchased Services	4,920	(4,920)	-	-	-
Supplies and Materials	8,875	-	8,875	8,437	438
Total Child Study Teams	<u>541,066</u>	<u>(94,426)</u>	<u>446,640</u>	<u>445,902</u>	<u>738</u>
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	115,149	-	115,149	115,149	-
Salaries of Other Professional Staff	-	6,400	6,400	6,351	49
Supplies and Materials	9,119	(9,114)	5	5	5
Other Objects	500	-	500	-	500
Total Other Support Services - Improvement of Inst. Svcs.	<u>124,768</u>	<u>(2,714)</u>	<u>122,054</u>	<u>121,500</u>	<u>554</u>
Educational Media/School Library					
Salaries	172,574	4,141	176,715	176,715	-
Other Purchased Services	7,400	175	7,575	7,519	56
Supplies and Materials	5,971	3,123	9,094	8,958	136
Total Educational Media/School Library	<u>185,945</u>	<u>7,439</u>	<u>193,384</u>	<u>193,192</u>	<u>192</u>
Instructional Staff Training Services					
Purchased Professional/Educational Services	4,100	(1,000)	3,100	2,419	681
Other Purchased Services	1,400	1,000	2,400	1,152	1,248
Total Instructional Staff Training Services	<u>5,500</u>	<u>-</u>	<u>5,500</u>	<u>3,571</u>	<u>1,929</u>
Support Services General Administration					
Salaries	327,673	26,242	353,915	323,273	30,642
Legal Services	45,000	5,220	50,220	46,353	3,867
Audit Fees	26,000	3,500	29,500	29,431	69
Other Purchased Professional Service	5,950	-	5,950	5,262	688
Architectural/Engineering Services	3,000	(3,000)	-	-	-
Communications/Telephone	77,936	571	78,507	76,751	1,756
Miscellaneous Purchased Services	50,920	(777)	50,143	42,244	7,899
BOE Other Purchased Services	4,500	(1,000)	3,500	2,064	1,436
General Supplies	5,600	-	5,600	4,504	1,096
Miscellaneous Expenditures	8,500	-	8,500	5,857	2,643
BOE Membership Dues and Fees	7,500	-	7,500	7,187	313
Total Support Services General Administration	<u>562,579</u>	<u>30,756</u>	<u>593,335</u>	<u>542,926</u>	<u>50,409</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	462,984	75,017	538,001	537,067	934
Salaries of Other Professional Staff	71,407	79	71,486	71,486	-
Salaries of Secretarial and Clerical Assistants	233,708	5,695	239,403	238,840	563
Other Purchased Services	15,010	5,870	20,880	15,769	5,111
Supplies and Materials	45,893	(7,125)	38,768	29,003	9,765
Other Objects	5,800	(75)	5,725	4,825	900
Total Support Services School Administration	<u>834,802</u>	<u>79,461</u>	<u>914,263</u>	<u>896,990</u>	<u>17,273</u>

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 243,175		\$ 243,175	\$ 239,753	\$ 3,422
Purchased Professional Services	55,000	(392)	54,608	51,215	3,393
Misc. Purchased Services	6,420	(1,949)	4,471	1,128	3,343
Supplies and Materials	4,500	630	5,130	5,108	22
Interest on Bond Anticipation Notes (BANs)	187,029	-	187,029	187,029	-
Miscellaneous Expenditures	1,500	-	1,500	1,240	260
Total Central Services	497,624	(1,711)	495,913	485,473	10,440
Admin. Info. Technology					
Salaries	125,784	4,000	129,784	129,784	-
Purchased Technical Services	5,500	(5,500)	-	-	-
Supplies and Materials	22,923	(1,000)	21,923	19,082	2,841
Total Admin. Info. Technology	154,207	(2,500)	151,707	148,866	2,841
Required Maintenance for School Facilities					
Salaries	201,980	(10,042)	191,938	173,785	18,153
Cleaning, Repair and Maintenance	99,200	(6,292)	92,908	88,282	4,626
General Supplies	-	5,060	5,060	5,058	2
Other Objects	1,500	-	1,500	1,221	279
Total Required Maintenance for School Facilities	302,680	(11,274)	291,406	268,346	23,060
Custodial Services					
Salaries	648,085	22,788	670,873	664,183	6,690
Salaries of Non-Instructional Aides	17,500	664	18,164	18,164	-
Cleaning, Repair and Maintenance	12,000	(7,000)	5,000	1,262	3,738
Other Purchased Property Services	17,500	7,053	24,553	23,258	1,295
Insurance	93,450	(1,408)	92,042	92,042	-
Rental of Land & Bldg Other Than Lease Purchase Agreement	2	-	2	-	2
Miscellaneous Purchased Services	-	650	650	575	75
General Supplies	66,500	6,750	73,250	71,965	1,285
Energy (Natural Gas)	90,000	3,249	93,249	66,431	26,818
Energy (Electricity)	163,000	(2,591)	160,409	146,682	13,727
Total Custodial Services	1,108,037	30,155	1,138,192	1,084,562	53,630
Care & Upkeep of Grounds					
Salaries	23,690	(6,548)	17,142	15,837	1,305
Cleaning, Repair and Maintenance	1,000	-	1,000	300	700
General Supplies	1,000	(300)	700	96	604
Total Care & Upkeep of Grounds	25,690	(6,848)	18,842	16,233	2,609
Security					
Purchased Professional and Technical Services	15,000	(911)	14,089	14,089	-
Cleaning, Repair and Maintenance	-	1,950	1,950	-	1,950
General Supplies	-	9,489	9,489	9,489	-
Total Security	15,000	10,528	25,528	23,578	1,950
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	40,000	3,637	43,637	41,918	1,719
Management Fee - ESC & CTSA Transportation Program	13,200	-	13,200	9,303	3,897
Cleaning, Repair and Maintenance Services	3,000	10,000	13,000	12,833	167
Contracted Services (Between Home and School) - Joint Agreements	63,000	(12,600)	50,400	50,276	124
Contracted Services (Other Than Between Home and School) - Vendors	30,000	11,500	41,500	38,279	3,221
Contracted Services (Special Ed. Students) - Joint Agreements	41,600	(427)	41,173	36,800	4,373
Contracted Services - (Special Ed. Students) - ESCs and CTSA	440,000	151,233	591,233	591,233	-
Contracted Services-Aid In Lieu of Payments- Charter Schools	5,304	(3,304)	2,000	2,000	-
Miscellaneous Purchased Services -Transportation	3,000	(2,050)	950	941	9
Other Objects	250	(250)	-	-	-
Total Student Transportation Services	639,354	157,739	797,093	783,583	13,510

**WOOD-RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 252,525	\$ (6,438)	\$ 246,087	\$ 221,411	\$ 24,676
Other Retirement Contributions - PERS	239,400	-	239,400	231,912	7,488
Unemployment Compensation	5,000	(1,440)	3,560	391	3,169
Workmen's Compensation	90,000	(2,000)	88,000	86,890	1,110
Health Benefits	2,654,719	(144,814)	2,509,905	2,456,141	53,764
Tuition Reimbursement	20,000	21,617	41,617	31,617	10,000
Unused Sick Payment to Terminated/Retired Staff	30,000	(430)	29,570	6,978	22,592
Total Unallocated Benefits	3,291,644	(133,505)	3,158,139	3,035,340	122,799
On Behalf TPAF (Non Budgeted)					
Pension Contribution				1,024,797	(1,024,797)
NCGI Premium				24,869	(24,869)
LTDI				2,401	(2,401)
Post Retirement Medical Contributions				677,958	(677,958)
Social Security Contributions	-	-	-	569,228	(569,228)
Total On-Behalf TPAF	-	-	-	2,299,253	(2,299,253)
Total Undistributed Expenditures	13,076,756	187,973	13,264,729	15,090,722	(1,825,993)
Total Current Expenditures	20,589,656	215,409	20,805,065	22,569,205	(1,764,140)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services		300,000	300,000	300,000	
Assessment for Debt Service on SDA Funding	29,575	-	29,575	29,575	-
Total Facilities Acquisition and Construction Services	29,575	300,000	329,575	329,575	-
Interest Deposit to Capital Reserve	100	-	100	-	100
Total Capital Outlay	29,675	300,000	329,675	329,575	100
Transfer of Funds to Charter Schools	19,798	-	19,798	19,798	-
Total General Fund Expenditures	20,639,129	515,409	21,154,538	22,918,578	(1,764,040)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(254,594)	(476,642)	(731,236)	(64,763)	666,473
Other Financing Sources (Uses)					
Transfers In				938	938
Capital Reserve - Transfer to Capital Projects	(300,000)	240,000	(60,000)	(60,000)	-
Total Other Financing Sources	(300,000)	240,000	(60,000)	(59,062)	938
Excess /(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(554,594)	(236,642)	(791,236)	(123,825)	667,411
Fund Balance, Beginning of Year	2,372,588	-	2,372,588	2,372,588	-
Fund Balance, End of Year	\$ 1,817,994	\$ (236,642)	\$ 1,581,352	\$ 2,248,763	\$ 667,411
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,265,649	
Maintenance Reserve				200,000	
Assigned					
Encumbrances				69,136	
Designated for Subsequent Year's Budget				194,814	
Unassigned				519,164	
Fund Balance - Budgetary Basis				2,248,763	
Reconciliation to Governmental Fund Statements (GAAP)					
2017/18 State Aid Payments Not Recognized on a GAAP Basis					
				(339,682)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,909,081	

**WOOD-RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-2

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Federal Sources	\$ 301,361	\$ 113,080	\$ 414,441	\$ 384,982	\$ (29,459)
Local Sources	4,000	28,480	32,480	17,928	(14,552)
Total Revenues	<u>305,361</u>	<u>141,560</u>	<u>446,921</u>	<u>402,910</u>	<u>(44,011)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	28,462	15,223	43,685	36,899	6,786
Purchased Technical Services		15,654	15,654	10,885	4,769
Other Purchased Services	210,534	62,719	273,253	273,253	-
General Supplies	49,025	19,279	68,304	57,896	10,408
Other Objects	-	100	100	100	-
Total Instruction	<u>288,021</u>	<u>112,975</u>	<u>400,996</u>	<u>379,033</u>	<u>21,963</u>
Support Services					
Personnel Services - Employee Benefits	2,177	501	2,678	2,448	230
Purchased Professional Educational Services		16,833	16,833	7,516	9,317
Other Purchased Services	11,953	8,207	20,160	10,495	9,665
Supplies and Materials	3,210	1,626	4,836	2,000	2,836
Other Objects	-	1,418	1,418	1,418	-
Total Support Services	<u>17,340</u>	<u>28,585</u>	<u>45,925</u>	<u>23,877</u>	<u>22,048</u>
Total Expenditures	<u>305,361</u>	<u>141,560</u>	<u>446,921</u>	<u>402,910</u>	<u>44,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Revenues (budgetary basis)	(C-1) \$ 22,853,815	(C-2) \$ 402,910
Difference - Budget to GAAP		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2016/2017)	297,952	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2017/2018)	<u>(339,682)</u>	<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>22,812,085</u>	\$ <u>402,910</u>
Uses/Outflows of Resources		
Actual Expenditures (budgetary basis)	(C-1) \$ 22,918,578	(C-2) \$ 402,910
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>22,918,578</u>	(B-2) \$ <u>402,910</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02346%	0.02239%	0.02044%	0.02072%	0.01934%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,460,137	\$ 6,631,124	\$ 4,587,556	\$ 3,879,562	\$ 3,695,473
District's Covered-Employee Payroll	\$ 1,623,792	\$ 1,613,426	\$ 1,514,880	\$ 1,398,296	\$ 1,372,127
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	336.26%	411.00%	302.83%	277.45%	269.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

Public Employees Retirement System

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 217,293	\$ 198,905	\$ 175,698	\$ 170,822	\$ 145,692
Contributions in Relation to the Contractually Required Contribution	<u>217,293</u>	<u>198,905</u>	<u>175,698</u>	<u>170,822</u>	<u>145,692</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,623,792	\$ 1,613,426	\$ 1,514,880	\$ 1,398,296	\$ 1,372,127
Contributions as a Percentage of Covered-Employee Payroll	13.38%	12.33%	11.60%	12.22%	10.62%

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

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

Teachers Pension and Annuity Fund

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 42,505,241	\$ 51,352,360	\$ 40,847,232	\$ 34,876,694	\$ 33,460,241
District's Covered-Employee Payroll	\$ 7,355,263	\$ 6,982,049	\$ 6,506,806	\$ 6,515,653	\$ 6,311,781
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	577.89%	735.49%	627.76%	535.28%	530.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**WOOD-RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Change of Benefit Terms: None.

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

**WOOD-RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 1,521,067
Interest on the Total OPEB Liability	1,084,204
Changes of Assumptions	(4,508,624)
Gross Benefit Payments	(898,417)
Contribution from the Member	33,082
Net Change in Total OPEB Liability	(2,768,688)
Total OPEB Liability - Beginning	36,895,337
Total OPEB Liability - Ending	\$ 34,126,649
District's Proportionate Share	\$0
State's Proportionate Share	\$ 34,126,649
Total OPEB Liability - Ending	\$ 34,126,649
Covered-Employee Payroll	\$ 8,979,055
Total OPEB Liability as a Percentage of Covered-Employee Payroll:	380.07%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WOOD-RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**WOOD-RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

REVENUES	IDEA Part B- Basic	IDEA Pre- School	Title IA	Title IIA	Title III	Title IV	Other Local Projects	Total
Intergovernmental								
Federal	\$ 261,690	\$ 11,563	\$ 89,197	\$ 10,332	\$ 7,715	\$ 4,485		\$ 384,982
Local	-	-	-	-	-	-	\$ 17,928	17,928
Total Revenues	<u>\$ 261,690</u>	<u>\$ 11,563</u>	<u>\$ 89,197</u>	<u>\$ 10,332</u>	<u>\$ 7,715</u>	<u>\$ 4,485</u>	<u>\$ 17,928</u>	<u>\$ 402,910</u>
EXPENDITURES								
Instruction								
Salaries of Teachers			\$ 30,457		\$ 1,542		\$ 4,900	\$ 36,899
Purchased Technical Services			6,400			4,485		10,885
Other Purchased Services	\$ 261,690	\$ 11,563						273,253
General Supplies			42,632		5,754		9,510	57,896
Other Objects	-	-	-	-	-	-	100	100
Total Instruction	<u>261,690</u>	<u>11,563</u>	<u>79,489</u>	<u>-</u>	<u>7,296</u>	<u>4,485</u>	<u>14,510</u>	<u>379,033</u>
Support Services								
Personnel Services - Employee Benefits			2,330		118			2,448
Purchased Professional Educational Services			7,378		138			7,516
Other Purchased Services				\$ 10,332	163			10,495
Supplies and Materials							2,000	2,000
Other Objects	-	-	-	-	-	-	1,418	1,418
Total Support Services	<u>-</u>	<u>-</u>	<u>9,708</u>	<u>10,332</u>	<u>419</u>	<u>-</u>	<u>3,418</u>	<u>23,877</u>
Total Expenditures	<u>\$ 261,690</u>	<u>\$ 11,563</u>	<u>\$ 89,197</u>	<u>\$ 10,332</u>	<u>\$ 7,715</u>	<u>\$ 4,485</u>	<u>\$ 17,928</u>	<u>\$ 402,910</u>

CAPITAL PROJECTS FUND

WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Year	Project	Appropriation	Appropriation Modifications	Modified Appropriation	Expenditures to Date		Transfer to General Fund	Cancelled	Balance, June 30, 2018
					Prior Year	Current Year			
2014	High School Roof Replacement	\$ 948,900		\$ 948,900	\$ 883,398		\$ 29,200	\$ 36,302	
2015	High School Gym Improvements	500,000		500,000	437,508		62,492		
2017	High School Cafeteria Improvements	118,050	\$ 60,000	178,050	92,907	\$ 23,522			\$ 61,621
<u>2014 Referendum</u>									
2015	Ostrovsky Middle School Gymnasium HVAC	678,000		678,000	516,224	4,006		69,948	87,822
2015	Ostrovsky Middle School Window Replacement	759,200		759,200	688,898	27,230		21,867	21,205
2015	Ostrovsky Middle School HVAC	1,690,500		1,690,500	1,171,463	140,863		184,796	193,378
2015	Doyle HVAC	2,550,100		2,550,100	2,507,430	20,060		296,005	(273,395)
2015	Doyle Window Replacement	584,700		584,700	497,847	5,008		40,589	41,256
2015	High School Window Replacement	1,109,700		1,109,700	1,166,078	42,515		4,483	(103,376)
2015	High School Facility Improvements (Science Labs, Exterior Doors and Security Door Access)	1,314,613		1,314,613	1,451,740	79,957			(217,084)
2015	High School HVAC	3,733,800		3,733,800	1,861,922	908,689		404,665	558,524
2015	Doyle Facility Improvements (Boiler, Exterior Doors, Security Door Access and Roof)	1,037,650		1,037,650	347,307	16,930			673,413
2015	Ostrovsky Facility Improvements (Gymnasium Divider, Exterior Doors, Security Door Access and Roof)	361,650	-	361,650	346,952	20,522	-	-	(5,824)
		<u>\$ 15,386,863</u>	<u>\$ 60,000</u>	<u>\$ 15,446,863</u>	<u>\$ 11,969,674</u>	<u>\$ 1,289,302</u>	<u>\$ 91,692</u>	<u>\$ 1,058,655</u>	<u>\$ 1,037,540</u>

Reconciliation to GAAP Basis:

Fund Balance, June 30, 2018 - Budgetary Basis	\$ 1,037,540
Less:	
Unearned Revenue - SDA Grants	(149,212)
Bonds Authorized But Not Issued - 2014 Referendum	(513)
Fund Balance, June 30, 2018 - GAAP Basis	<u>\$ 887,815</u>

Analysis of Balance

Year End Encumbrances	\$ 196,230
Available for Capital Projects	<u>841,310</u>
	<u>\$ 1,037,540</u>

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Revenues and Other Financing Sources

Serial Bond Proceeds	\$ 9,377,000
Premium on Serial Bond Proceeds	938
Transfer from Capital Reserve	<u>60,000</u>

Total Revenues and Other Financing Sources	<u>9,437,938</u>
--	------------------

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	126,240
Construction Services	1,093,440
Supplies and Materials	51,189
Other Objects	18,433
Transfers to General Fund	<u>938</u>

Total Expenditures and Other Financing Uses	<u>1,290,240</u>
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Excess (Deficit) of Revenues Over (Under) Expenditures	8,147,698
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Fund Balance, July 1, 2017	<u>(7,110,671)</u>
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Fund Balance, June 30, 2018	<u>\$ 1,037,027</u>
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Reconciliation to GAAP Basis:

Fund Balance, June 30, 2018 - Budgetary Basis	\$ 1,037,027
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Less: Unearned Revenue - SDA Grants	<u>(149,212)</u>
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Fund Balance, June 30, 2018 - GAAP Basis	<u>\$ 887,815</u>
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**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 343,258		\$ 343,258	\$ 379,560
Transfer from Capital Reserve	<u>569,340</u>	<u>-</u>	<u>569,340</u>	<u>569,340</u>
 Total Revenues and Other Financing Sources	 <u>912,598</u>	 <u>-</u>	 <u>912,598</u>	 <u>948,900</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	92,233		92,233	76,900
Construction Services	789,250		789,250	868,000
Other Objects	1,915		1,915	4,000
Transfer to Capital Reserve - General Fund	<u>29,200</u>	<u>-</u>	<u>29,200</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>912,598</u>	 <u>-</u>	 <u>912,598</u>	 <u>948,900</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-1002			
Grant Date	May 7, 2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 948,900			
Revised Authorized Cost	\$ 948,900			
 Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	96.17%			
Original Target Completion Date	June 2016			
Revised Target Completion Date	September 2016			

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL GYM IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 500,000	-	\$ 500,000	\$ 500,000
 Total Revenues and Other Financing Sources	 500,000	 -	 500,000	 500,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services	437,508		437,508	500,000
Other Objects			-	
Transfer to Capital Reserve - General Fund	62,492	-	62,492	-
 Total Expenditures and Other Financing Uses	 500,000	 -	 500,000	 500,000
 Excess (Deficit) of Revenue Over Expenditures	 \$ -	 \$ -	 \$ -	 \$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 500,000			
Revised Authorized Cost	\$ 500,000			
 Percentage Increase Over Original Authorized Cost	 0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	June 2016			
Revised Target Completion Date	December 2016			

**WOOD-RIDGE BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
 AND PROJECT STATUS - BUDGETARY BASIS
 HIGH SCHOOL CAFETERIA IMPROVEMENTS
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Contributions	\$ 18,050		\$ 18,050	\$ 18,050
Transfer from Capital Reserve	<u>100,000</u>	<u>\$ 60,000</u>	<u>160,000</u>	<u>100,000</u>
 Total Revenues and Other Financing Sources	 <u>118,050</u>	 <u>60,000</u>	 <u>178,050</u>	 <u>118,050</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	10,000
Construction Services	<u>92,907</u>	<u>23,522</u>	<u>116,429</u>	<u>108,050</u>
 Total Expenditures and Other Financing Uses	 <u>92,907</u>	 <u>23,522</u>	 <u>116,429</u>	 <u>118,050</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ 25,143</u>	 <u>\$ 36,478</u>	 <u>\$ 61,621</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 118,050
Revised Authorized Cost	\$ 118,050
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	98.63%
Original Target Completion Date	December 2017
Revised Target Completion Date	October 2018

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SUMMARY OF 2014 REFERENDUM PROJECTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 3,420,047		\$ 3,420,047	\$ 4,442,400
Capital Reserve	1,500,000		1,500,000	-
Bond Proceeds	-	\$ 9,377,000	<u>9,377,000</u>	<u>9,377,513</u>
Total Revenues and Other Financing Sources	<u>4,920,047</u>	<u>9,377,000</u>	<u>14,297,047</u>	<u>13,819,913</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,267,713	126,240	1,393,953	1,508,613
Construction Services	9,182,755	1,069,918	10,252,673	12,275,300
Equipment			-	-
Supplies and Materials	45,707	51,189	96,896	
Other Objects	59,686	18,433	78,119	36,000
Transfer to Capital Reserve - General Fund	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>12,055,861</u>	<u>1,265,780</u>	<u>13,321,641</u>	<u>13,819,913</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (7,135,814)</u>	<u>\$ 8,111,220</u>	<u>\$ 975,406</u>	<u>\$ -</u>

Additional Project Information:

Project Number	See Exhibits F-2e to F-2n
Grant Date	See Exhibits F-2e to F-2n
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 9,377,513
Bonds Issued	\$ 9,377,000
Original Authorized Cost	\$ 13,819,913
Revised Authorized Cost	\$ 13,819,913

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	96.39%
Original Target Completion Date	June 2017
Revised Target Completion Date	December 2018

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
OSTROVSKY MIDDLE SCHOOL GYMNASIUM HVAC
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 201,252		\$ 201,252	\$ 271,200
Capital Reserve	65,071		65,071	
Bond Proceeds	<u>-</u>	<u>\$ 406,778</u>	<u>406,778</u>	<u>406,800</u>
 Total Revenues and Other Financing Sources	 <u>266,323</u>	 <u>406,778</u>	 <u>673,101</u>	 <u>678,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	50,802	4,006	54,808	70,000
Construction Services	463,633		463,633	605,000
Other Objects	1,789		1,789	3,000
Transfer to Capital Reserve - General Fund	<u>65,071</u>	<u>-</u>	<u>65,071</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>581,295</u>	 <u>4,006</u>	 <u>585,301</u>	 <u>678,000</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ (314,972)</u>	 <u>\$ 402,772</u>	 <u>\$ 87,800</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-1009
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 406,800
Bonds Issued	\$ 406,778
Original Authorized Cost	\$ 678,000
Revised Authorized Cost	\$ 678,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	76.73%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2018

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
OSTROVSKY MIDDLE SCHOOL WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 281,813		\$ 281,813	\$ 303,680
Capital Reserve	72,864		72,864	-
Bond Proceeds	-	\$ 455,495	455,495	455,520
	<u>354,677</u>	<u>455,495</u>	<u>810,172</u>	<u>759,200</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	68,662	4,479	73,141	72,000
Construction Services	619,879	22,751	642,630	684,200
Other Objects	357		357	3,000
Transfer to Capital Reserve - General Fund	72,864	-	72,864	-
	<u>761,762</u>	<u>27,230</u>	<u>788,992</u>	<u>759,200</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (407,085)</u>	<u>\$ 428,265</u>	<u>\$ 21,180</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-1010
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 455,520
Bonds Issued	\$ 455,495
Original Authorized Cost	\$ 759,200
Revised Authorized Cost	\$ 759,200

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	94.33%
Original Target Completion Date	September 2016
Revised Target Completion Date	June 2018

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
OSTROVSKY MIDDLE SCHOOL HVAC
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 491,404		\$ 491,404	\$ 676,200
Capital Reserve	162,244		162,244	
Bond Proceeds	<u>-</u>	<u>\$ 1,014,245</u>	<u>1,014,245</u>	<u>1,014,300</u>
Total Revenues and Other Financing Sources	<u>653,648</u>	<u>1,014,245</u>	<u>1,667,893</u>	<u>1,690,500</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	166,496	20,718	187,214	175,000
Construction Services	1,003,984	120,145	1,124,129	1,512,500
Other Objects	983		983	3,000
Transfer to Capital Reserve - General Fund	<u>162,244</u>	<u>-</u>	<u>162,244</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>1,333,707</u>	<u>140,863</u>	<u>1,474,570</u>	<u>1,690,500</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (680,059)</u>	<u>\$ 873,382</u>	<u>\$ 193,323</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-1008
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 1,014,300
Bonds Issued	\$ 1,014,245
Original Authorized Cost	\$ 1,690,500
Revised Authorized Cost	\$ 1,690,500

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	77.63%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2018

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
DOYLE HVAC
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 724,035		\$ 724,035	\$ 1,020,040
Capital Reserve	244,744		244,744	
Bond Proceeds	<u>-</u>	<u>\$ 1,529,976</u>	<u>1,529,976</u>	<u>1,530,060</u>
Total Revenues and Other Financing Sources	<u>968,779</u>	<u>1,529,976</u>	<u>2,498,755</u>	<u>2,550,100</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	218,900	16,294	235,194	258,000
Construction Services	2,283,799	3,766	2,287,565	2,289,100
Other Objects	4,731		4,731	3,000
Transfer to Capital Reserve - General Fund	<u>244,744</u>	<u>-</u>	<u>244,744</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>2,752,174</u>	<u>20,060</u>	<u>2,772,234</u>	<u>2,550,100</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (1,783,395)</u>	<u>\$ 1,509,916</u>	<u>\$ (273,479)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-060-14-1007
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 1,530,060
Bonds Issued	\$ 1,529,976
Original Authorized Cost	\$ 2,550,100
Revised Authorized Cost	\$ 2,550,100
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	99.11%
Original Target Completion Date	June 2017
Revised Target Completion Date	June 2018

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
DOYLE WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 193,291		\$ 193,291	\$ 233,880
Capital Reserve	56,116		56,116	
Bond Proceeds	-	\$ 350,801	350,801	350,820
	<u>249,407</u>	<u>350,801</u>	<u>600,208</u>	<u>584,700</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	54,174	3,451	57,625	57,000
Construction Services	434,100	667	434,767	524,700
Other Objects	9,573	890	10,463	3,000
Transfer to Capital Reserve - General Fund	56,116	-	56,116	-
	<u>553,963</u>	<u>5,008</u>	<u>558,971</u>	<u>584,700</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (304,556)</u>	<u>\$ 345,793</u>	<u>\$ 41,237</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-060-14-1005
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 350,820
Bonds Issued	\$ 350,801
Original Authorized Cost	\$ 584,700
Revised Authorized Cost	\$ 584,700

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	86.00%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2017

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 439,397		\$ 439,397	\$ 443,880
Capital Reserve	106,503		106,503	
Bond Proceeds	-	\$ 665,784	665,784	665,820
	<u>545,900</u>	<u>665,784</u>	<u>1,211,684</u>	<u>1,109,700</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	107,383	6,551	113,934	103,500
Construction Services	1,058,173	35,964	1,094,137	1,003,200
Other Objects	522		522	3,000
Transfer to Capital Reserve - General Fund	106,503	-	106,503	-
	<u>1,272,581</u>	<u>42,515</u>	<u>1,315,096</u>	<u>1,109,700</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (726,681)</u>	<u>\$ 623,269</u>	<u>\$ (103,412)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-050-14-1004
Grant Date	January 6, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 665,820
Bonds Issued	\$ 665,784
Original Authorized Cost	\$ 1,109,700
Revised Authorized Cost	\$ 1,109,700
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2017

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL FACILITY IMPROVEMENTS (SCIENCE LABS, EXTERIOR DOORS AND SECURITY DOOR ACCESS)
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	\$ 210,282		\$ 210,282	
Bond Proceeds	<u>-</u>	<u>\$ 1,314,541</u>	<u>1,314,541</u>	<u>\$ 1,314,613</u>
 Total Revenues and Other Financing Sources	 <u>210,282</u>	 <u>1,314,541</u>	 <u>1,524,823</u>	 <u>1,314,613</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	135,586	7,759	143,345	210,113
Construction Services	1,233,121	9,564	1,242,685	1,099,500
Supplies and Materials	45,707	51,189	96,896	
Other Objects	37,326	11,445	48,771	5,000
Transfer to Capital Reserve - General Fund	<u>210,282</u>	<u>-</u>	<u>210,282</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>1,662,022</u>	 <u>79,957</u>	 <u>1,741,979</u>	 <u>1,314,613</u>
 Excess (Deficit) of Revenue Over Expenditures	 <u>\$ (1,451,740)</u>	 <u>\$ 1,234,584</u>	 <u>\$ (217,156)</u>	 <u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-2000			
Grant Date	August 29, 2014			
Bond Authorization Date	September 30, 2014			
Bonds Authorized	\$ 1,314,613			
Bonds Issued	\$ 1,314,541			
Original Authorized Cost	\$ 1,314,613			
Revised Authorized Cost	\$ 1,314,613			
 Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	June 2018			

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL HVAC
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant (40%)	\$ 1,088,855		\$ 1,088,855	\$ 1,493,520
Capital Reserve	358,349		358,349	
Bond Proceeds	-	\$ 2,240,157	2,240,157	2,240,280
	<u>1,447,204</u>	<u>2,240,157</u>	<u>3,687,361</u>	<u>3,733,800</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	351,765	54,718	406,483	398,000
Construction Services	1,506,431	847,873	2,354,304	3,332,800
Other Objects	3,726	6,098	9,824	3,000
Transfer to Capital Reserve - General Fund	358,349	-	358,349	-
	<u>2,220,271</u>	<u>908,689</u>	<u>3,128,960</u>	<u>3,733,800</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (773,067)</u>	<u>\$ 1,331,468</u>	<u>\$ 558,401</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5830-050-14-1001			
Grant Date	January 6, 2014			
Bond Authorization Date	September 30, 2014			
Bonds Authorized	\$ 2,240,280			
Bonds Issued	\$ 2,240,157			
Original Authorized Cost	\$ 3,733,800			
Revised Authorized Cost	\$ 3,733,800			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	74.20%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	December 2018			

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
DOYLE FACILITY IMPROVEMENTS (BOILER, EXTERIOR DOORS, SECURITY DOOR ACCESS AND ROOF)
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	\$ 165,979		\$ 165,979	
Bond Proceeds	-	\$ 1,037,593	1,037,593	\$ 1,037,650
	<u>165,979</u>	<u>1,037,593</u>	<u>1,203,572</u>	<u>1,037,650</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	85,010	6,127	91,137	123,500
Construction Services	261,788	10,803	272,591	909,150
Other Objects	509		509	5,000
Transfer to Capital Reserve - General Fund	165,979	-	165,979	-
	<u>513,286</u>	<u>16,930</u>	<u>530,216</u>	<u>1,037,650</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (347,307)</u>	<u>\$ 1,020,663</u>	<u>\$ 673,356</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5830-060-14-1000			
Grant Date	July 28, 2014			
Bond Authorization Date	September 30, 2014			
Bonds Authorized	\$ 1,037,650			
Bonds Issued	\$ 1,037,593			
Original Authorized Cost	\$ 1,037,650			
Revised Authorized Cost	\$ 1,037,650			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	35.10%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	June 2018			

**WOOD-RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
OSTROVSKY MIDDLE SCHOOL FACILITY IMPROVEMENTS (GYMNASIUM DIVIDER, EXTERIOR DOORS,
SECURITY DOOR ACCESS AND ROOF)
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Reserve	\$ 57,848		\$ 57,848	
Bond Proceeds	-	\$ 361,630	361,630	\$ 361,650
	<u>57,848</u>	<u>361,630</u>	<u>419,478</u>	<u>361,650</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	28,935	2,137	31,072	41,500
Construction Services	317,847	18,385	336,232	315,150
Other Objects	170		170	5,000
Transfer to Capital Reserve - General Fund	57,848	-	57,848	-
	<u>404,800</u>	<u>20,522</u>	<u>425,322</u>	<u>361,650</u>
Excess (Deficit) of Revenue Over Expenditures	<u>\$ (346,952)</u>	<u>\$ 341,108</u>	<u>\$ (5,844)</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5830-070-14-2000
Grant Date	August 29, 2014
Bond Authorization Date	September 30, 2014
Bonds Authorized	\$ 361,650
Bonds Issued	\$ 361,630
Original Authorized Cost	\$ 361,650
Revised Authorized Cost	\$ 361,650

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	September 2016
Revised Target Completion Date	September 2017

ENTERPRISE FUNDS

EXHIBIT G-1

**WOOD-RIDGE BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**WOOD-RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 134,997	\$ 51,485	\$ 186,482
Due From Other Funds	<u>-</u>	<u>1,462</u>	<u>1,462</u>
Total Assets	<u>\$ 134,997</u>	<u>\$ 52,947</u>	<u>\$ 187,944</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 12,617	\$ 12,617
Accrued Salaries and Wages		19,680	19,680
Reserve for Flexible Spending		20,650	20,650
Due to Student Groups	<u>\$ 134,997</u>	<u>-</u>	<u>134,997</u>
Total Liabilities	<u>\$ 134,997</u>	<u>\$ 52,947</u>	<u>\$ 187,944</u>

**WOOD-RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WOOD-RIDGE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2018</u>
Student Activities Account	\$ 116,101	\$ 232,677	\$ 216,208	\$ 132,570
Athletic Account	<u>10,687</u>	<u>25,525</u>	<u>33,785</u>	<u>2,427</u>
Total	<u>\$ 126,788</u>	<u>\$ 258,202</u>	<u>\$ 249,993</u>	<u>\$ 134,997</u>

**PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Balance, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2018</u>
ASSETS				
Cash and Cash Equivalents	\$ 43,904	\$ 11,776,709	\$ 11,769,128	\$ 51,485
Due From Other Funds	<u>1,462</u>	<u>-</u>	<u>-</u>	<u>1,462</u>
	<u>\$ 45,366</u>	<u>\$ 11,776,709</u>	<u>\$ 11,769,128</u>	<u>\$ 52,947</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 11,829	\$ 5,269,099	\$ 5,268,311	\$ 12,617
Accrued Salaries and Wages	18,885	6,480,310	6,479,515	19,680
Reserve for Flexible Spending	<u>14,652</u>	<u>27,300</u>	<u>21,302</u>	<u>20,650</u>
	<u>\$ 45,366</u>	<u>\$ 11,776,709</u>	<u>\$ 11,769,128</u>	<u>\$ 52,947</u>

LONG-TERM DEBT

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
School Refunding Bonds	1/13/2013	\$ 4,450,000	7/15/2018	\$ 375,000	3.00				
			7/15/2019	390,000	3.00				
			7/15/2020	400,000	3.00				
			7/15/2021	415,000	3.00				
			7/15/2022	430,000	3.00				
			7/15/2023	445,000	3.00				
			7/15/2024	455,000	3.00				
			7/15/2025	460,000	3.00				
School Bonds	10/3/2017	9,377,000	9/15/2019	302,000	2.00				
			9/15/2020	310,000	2.00				
			9/15/2021	325,000	2.00				
			9/15/2022	335,000	2.00				
			9/15/2023	350,000	2.00				
			9/15/2024	360,000	2.00				
			9/15/2025	370,000	2.00				
			9/15/2026	600,000	2.00				
			9/15/2027	600,000	2.25				
			9/15/2028	600,000	3.00				
			9/15/2029	600,000	3.00				
			9/15/2030	600,000	3.00				
			9/15/2031	600,000	3.00				
			9/15/2032	600,000	3.00				
			9/15/2033	600,000	3.00				
			9/15/2034	600,000	3.00				
			9/15/2035	600,000	3.00				
9/15/2036	525,000	3.00							
9/15/2037	500,000	3.00							
						-	\$ 9,377,000	-	\$ 9,377,000
						\$ 3,730,000	\$ 9,377,000	\$ 360,000	\$ 12,747,000

**WOOD-RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2017</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2018</u>
Computer Equipment - Chromebooks	\$ 234,092	\$ 59,585	\$ -	\$ 59,585	\$ -
		<u>\$ 59,585</u>	<u>\$ -</u>	<u>\$ 59,585</u>	<u>\$ -</u>

**WOOD-RIDGE BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 448,097		\$ 448,097	\$ 448,097	
State Source					
Debt Service Aid	18,403		18,403	18,403	
Total Revenues	<u>466,500</u>	<u>-</u>	<u>466,500</u>	<u>466,500</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Redemption of Principal	360,000		360,000	360,000	
Interest	106,500	-	106,500	106,500	\$ -
Total Expenditures	<u>466,500</u>	<u>-</u>	<u>466,500</u>	<u>466,500</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	69,806	-	69,806	69,806	-
Fund Balance, End of Year	<u>\$ 69,806</u>	<u>\$ -</u>	<u>\$ 69,806</u>	<u>\$ 69,806</u>	<u>\$ -</u>

Recapitulation of Fund Balance:

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

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014 (Restated)	2015	2016	2017	2018
Governmental Activities										
Investment in Capital Assets	\$ 2,937,868	\$ 3,103,792	\$ 3,326,196	\$ 3,514,848	\$ 4,070,016	\$ 4,097,324	\$ 5,653,064	\$ 11,526,293	\$ 15,858,968	\$ 8,262,875
Restricted	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885	1,960,762	1,708,974	1,670,471	2,423,270
Unrestricted	21,949	(178,669)	26,066	96,285	13,360	(3,655,448)	(3,373,767)	(7,527,099)	(11,919,230)	(4,667,009)
Total Governmental Activities Net Position	\$ 5,175,476	\$ 5,453,672	\$ 5,849,152	\$ 6,362,344	\$ 6,277,546	\$ 4,360,761	\$ 4,240,059	\$ 5,708,168	\$ 5,610,209	\$ 6,019,136
Business-Type Activities										
Net Investment in Capital Assets	\$ 3,625	\$ 2,578	\$ 1,916	\$ 23,709	\$ 22,849	\$ 25,718	\$ 22,195	\$ 18,672	\$ 23,815	\$ 19,224
Unrestricted	39,871	60,052	66,434	30,816	26,581	25,713	20,871	34,272	56,063	80,546
Total Business-Type Activities Net Position	\$ 43,496	\$ 62,630	\$ 68,350	\$ 54,525	\$ 49,430	\$ 51,431	\$ 43,066	\$ 52,944	\$ 79,878	\$ 99,770
District-Wide										
Net Investment in Capital Assets	\$ 2,941,493	\$ 3,106,370	\$ 3,328,112	\$ 3,538,557	\$ 4,092,865	\$ 4,123,042	\$ 5,675,259	\$ 11,544,965	\$ 15,882,783	\$ 8,282,099
Restricted	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885	1,960,762	1,708,974	1,670,471	2,423,270
Unrestricted (Deficit)	61,820	(118,617)	92,500	127,101	39,941	(3,629,735)	(3,352,896)	(7,492,827)	(11,863,167)	(4,586,463)
Total District Net Position	\$ 5,218,972	\$ 5,516,302	\$ 5,917,502	\$ 6,416,869	\$ 6,326,976	\$ 4,412,192	\$ 4,283,125	\$ 5,761,112	\$ 5,690,087	\$ 6,118,906

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

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
Instruction	\$ 7,658,207	\$ 8,008,182	\$ 7,666,644	\$ 7,743,091	\$ 7,712,716	\$ 8,240,879	\$ 10,696,906	\$ 9,062,055	\$ 9,973,941	\$ 10,137,910
Regular								4,846,677	5,420,002	5,972,224
Special Education								440,860	509,460	431,526
Other Instruction								600,628	706,810	630,485
School Sponsored Activities And Athletics										
Support Services:										
Tuition	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406	3,239,564			
Student & Instruction Related Services	1,612,269	1,781,973	1,847,454	1,816,489	1,986,337	2,204,080	2,680,711	2,837,800	3,022,317	3,349,914
General Administrative Services	467,108	506,152	435,980	510,635	503,476	614,242	864,169	818,285	850,764	834,148
School Administrative Services	736,746	706,934	772,819	817,217	1,012,327	986,951	1,211,279	1,175,087	1,401,041	1,598,397
Central Services	307,367	324,204	325,703	338,875	352,975	363,566	430,455	680,796	788,960	927,667
Administrative Information Technology	113,534	118,893	154,345	151,831	154,031	165,977	167,076			
Plant Operations And Maintenance	1,654,393	1,571,446	1,501,748	1,521,990	1,574,683	1,666,628	1,531,313	2,239,654	2,600,649	2,890,195
Pupil Transportation	538,802	493,178	519,844	441,156	569,410	609,472	712,044	608,408	782,790	815,929
Business and Other Support Services	953,213	1,016,854	1,076,657	1,361,521	1,568,004	1,427,267				
Interest On Long-Term Debt	238,604	229,991	221,082	211,820	148,533	117,167	130,840	163,391	109,013	95,557
Unallocated Depreciation	221,532	224,606	251,864	212,926	242,936	246,648	246,648			
Capital Outlay	10,718		37,056	19,097	37,333	29,575	29,575			
Other - Bond Issuance Costs/Loss on Bond Sale					57,526	140,713				
Transfer to Charter School		50,075	49,296	27,658	36,897	62,473	56,186			
Total Governmental Activities Expenses	16,186,832	16,787,956	17,006,801	17,613,225	18,830,106	20,171,044	21,996,766	23,473,641	26,165,747	27,683,952
Business-Type Activities:										
Food Service	400,845	377,660	381,875	406,185	415,251	392,425	430,064	430,350	412,545	438,531
Total Business-Type Activities Expense	400,845	377,660	381,875	406,185	415,251	392,425	430,064	430,350	412,545	438,531
Total District Expenses	\$ 16,587,677	\$ 17,165,616	\$ 17,388,676	\$ 18,019,410	\$ 19,245,357	\$ 20,563,469	\$ 22,426,830	\$ 23,903,991	\$ 26,578,292	\$ 28,122,483
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 1,125,316	\$ 1,071,275	\$ 1,208,085	\$ 1,388,926	\$ 1,249,073	\$ 1,164,499	\$ 1,826,417	\$ 1,763,160	\$ 1,757,641	\$ 1,911,034
Capital Grants and Contributions								2,417,693	844,458	351,942
Operating Grants and Contributions	403,820	472,003	459,208	415,322	356,575	320,050	4,175,286	4,754,846	6,338,049	7,754,867
Total Governmental Activities Program Revenues	1,529,136	1,543,278	1,667,293	1,804,248	1,605,648	1,484,549	6,001,703	8,935,699	8,940,148	10,017,843
Business-Type Activities:										
Charges For Services										
Food Service	344,491	306,966	299,648	295,931	294,123	291,439	293,568	299,859	293,632	313,367
Operating Grants And Contributions	73,639	89,828	87,947	96,429	92,617	102,987	128,131	140,369	145,847	145,056
Total Business Type Activities Program Revenues	418,130	396,794	387,595	392,360	386,740	394,426	421,699	440,228	439,479	458,423
Total District Program Revenues	\$ 1,947,266	\$ 1,940,072	\$ 2,054,888	\$ 2,196,608	\$ 1,992,388	\$ 1,878,975	\$ 6,423,402	\$ 9,375,927	\$ 9,379,627	\$ 10,476,266
Net (Expense)/Revenue										
Governmental Activities	\$ (14,657,696)	\$ (15,244,678)	\$ (15,339,508)	\$ (15,808,977)	\$ (17,224,458)	\$ (18,686,495)	\$ (15,995,063)	\$ (14,537,942)	\$ (17,225,599)	\$ (17,666,109)
Business-Type Activities	17,285	19,134	5,720	(13,825)	(28,511)	2,001	(8,365)	9,878	26,934	19,892
Total District-Wide Net Expense	\$ (14,640,411)	\$ (15,225,544)	\$ (15,333,788)	\$ (15,822,802)	\$ (17,252,969)	\$ (18,684,494)	\$ (16,003,428)	\$ (14,528,064)	\$ (17,198,665)	\$ (17,646,217)

115

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,341,718	\$ 12,807,191	\$ 13,563,859	\$ 13,835,136	\$ 14,111,839	\$ 15,141,775	\$ 15,444,610	\$ 15,875,422	\$ 16,304,930	\$ 17,220,119
Taxes Levied for Debt Service	424,904	396,132	453,918	478,252	205,103	144,562	123,370	127,200	522,679	448,097
Unrestricted Grants and Contributions	1,963,329	2,103,868	1,577,801	1,888,072	2,283,506	2,215,210	66,645	64,796	73,250	110,743
Debt Service Aid									9,201	14,202
Interest and Miscellaneous Income	275,348	215,683	139,410	73,240	203,626	97,139	239,736	123,780	217,580	281,875
Rents and Royalties						251,368				
Special Item - Sale of Property						2,500,000				
Special Item - Capital Assets Superstorm Sandy	-	-	-	-	335,586	-	-	-	-	-
Total Governmental Activities	15,005,299	15,522,874	15,734,988	16,274,700	17,139,660	20,350,054	15,874,361	16,191,198	17,127,640	18,075,036
Business-Type Activities:										
Investment Earnings					23,416					
Other	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	23,416	-	-	-	-	-
Total District-Wide	\$ 15,005,299	\$ 15,522,874	\$ 15,734,988	\$ 16,274,700	\$ 17,163,076	\$ 20,350,054	\$ 15,874,361	\$ 16,191,198	\$ 17,127,640	\$ 18,075,036
Change in Net Position										
Governmental Activities	\$ 347,603	\$ 278,196	\$ 395,480	\$ 465,723	\$ (84,798)	\$ 1,663,559	\$ (120,702)	\$ 1,653,256	\$ (97,959)	\$ 408,927
Business-Type Activities	17,285	19,134	5,720	(13,825)	(5,095)	2,001	(8,365)	9,878	26,934	19,892
Total District Wide	\$ 364,888	\$ 297,330	\$ 401,200	\$ 451,898	\$ (89,893)	\$ 1,665,560	\$ (129,067)	\$ 1,663,134	\$ (71,025)	\$ 428,819

Sources: District's financial statements

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 781,011	\$ 1,208,621								
Restricted			\$ 1,081,368	\$ 1,344,994	\$ 1,163,783	\$ 3,336,223	\$ 508,951	\$ 1,811,113	\$ 1,600,665	\$ 1,465,649
Committed			104,265	97,938	47,728					
Assigned			16,408	154,085	104,641	24,250	502,931	424,579	366,766	263,950
Unassigned			307,398	412,321	308,739	340,037	408,027	205,543	107,205	179,482
Unreserved	<u>408,479</u>	<u>202,327</u>	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 1,189,490</u>	<u>\$ 1,410,948</u>	<u>\$ 1,509,439</u>	<u>\$ 2,009,338</u>	<u>\$ 1,624,891</u>	<u>\$ 3,700,510</u>	<u>\$ 1,419,909</u>	<u>\$ 2,441,235</u>	<u>\$ 2,074,636</u>	<u>\$ 1,909,081</u>
All Other Governmental Funds										
Reserved/Restricted	\$ 9,247						\$ 1,451,810	\$ (3,969,195)	\$ (7,542,019)	\$ 957,621
Unreserved, Reported in:										
Capital Projects Fund	1,316,356	1,290,852	1,179,013	1,179,013	877,681	567,682				
Debt Service Fund	109,045	29,076	1,513	1,513	15,317	14,980	1			
Unassigned/(Deficit)	-	-	-	-	-	-	(245,865)	-	-	-
Total All Other Governmental Funds	<u>\$ 1,434,648</u>	<u>\$ 1,319,928</u>	<u>\$ 1,180,526</u>	<u>\$ 1,180,526</u>	<u>\$ 892,998</u>	<u>\$ 582,662</u>	<u>\$ 1,205,946</u>	<u>\$ (3,969,195)</u>	<u>\$ (7,542,019)</u>	<u>\$ 957,621</u>

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

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 12,766,622	\$ 13,203,323	\$ 14,017,777	\$ 14,313,388	\$ 14,316,942	\$ 15,286,337	\$ 15,567,980	\$ 16,002,622	\$ 16,827,609	\$ 17,668,216
Tuition Charges	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073	1,164,499	1,826,417	1,763,160	1,757,641	1,911,034
Interest Earnings	1,654	2,754	1,291	955	1,572	126	398			
Rents and Royalties						251,368	156,060	41,100		
Sale of Property						1,000,000				
Miscellaneous	251,436	217,849	147,857	78,446	210,206	107,514	90,982	102,963	241,690	299,803
State Sources	2,061,052	2,067,158	1,485,053	1,841,412	2,283,506	2,215,210	2,365,307	4,861,543	3,706,100	3,767,526
Federal Sources	306,097	503,793	480,915	461,982	348,423	309,549	341,625	384,065	385,432	386,858
Total Revenue	16,512,177	17,066,152	17,340,978	18,085,109	18,409,722	20,334,603	20,348,769	23,155,453	22,918,472	24,033,437
Expenditures										
Instruction	6,532,437	6,799,791	6,384,469	6,497,134	6,433,075	6,836,872	7,147,837			
Regular Instruction								7,829,286	8,022,531	8,282,095
Special Education Instruction								4,568,623	4,972,332	5,487,032
Other Instruction								378,792	405,587	351,312
School Sponsored Activities and Athletics								528,412	575,385	532,337
Support Services										
Tuition	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406	3,239,564			
Student and Inst. Related Services	1,430,231	1,550,394	1,611,251	1,582,299	1,758,434	1,957,784	2,070,393	2,618,755	2,640,822	2,853,602
General Administrative Services	426,104	461,530	385,284	455,113	447,064	536,112	501,935	761,737	739,786	727,481
School Administrative Services	624,762	591,923	641,279	658,524	811,400	784,016	732,130	1,026,878	1,134,711	1,308,684
Central Services	263,820	276,980	274,809	289,941	299,876	307,887	318,541	635,437	675,711	810,111
Administrative Information Technology	94,469	98,404	131,302	130,018	130,488	142,310	134,165			
Plant Operations And Maintenance	1,507,362	1,424,232	1,342,996	1,366,111	1,410,859	1,483,384	1,518,622	1,915,072	1,877,290	1,800,895
Pupil Transportation	538,575	487,519	512,908	434,863	562,065	600,973	452,959	605,110	771,724	803,205
Unallocated Benefits	2,666,737	2,841,960	3,112,470	3,152,822	3,474,794	3,511,404	3,761,171			
Capital Outlay	12,718	142,216	195,021	73,220	351,186	95,801	1,614,233	5,912,851	4,513,445	1,592,159
Debt Service										
Principal	262,164	245,000	255,000	265,000	275,000	310,000	320,000	393,682	406,880	419,585
Interest and Other Charges	242,914	233,922	225,172	216,072	206,279	144,898	138,350	134,633	121,691	108,792
Transfer to Charter School	-	50,075	49,296	27,658	36,897	62,473	56,186	-	-	-
Total Expenditures	16,276,632	16,959,414	17,267,566	17,587,694	19,070,339	20,069,320	22,006,086	27,309,268	26,857,895	25,077,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	235,545	106,738	73,412	497,415	(660,617)	265,283	(1,657,317)	(4,153,815)	(3,939,423)	(1,043,853)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)										9,377,000
Bond Proceeds					14,974					938
Premium on Bond Proceeds										
Other - Superstorm Sandy Recovery					338,086					
Superstorm Sandy Expenses					(338,086)					
Transfers In	25,251	2,821	1,175	366	275,006	310,000	2,820,000	2,780,190	191,692	60,938
Transfers Out	(26,251)	(2,821)	(1,175)	(366)	(275,006)	(310,000)	(2,820,000)	(2,780,190)	(191,692)	(60,938)
Total Other Financing Sources (Uses)	(1,800)	-	-	-	14,974	-	-	-	-	9,377,938
Net Change in Fund Balances	\$ 234,545	\$ 106,738	\$ 73,412	\$ 497,415	\$ (645,643)	\$ 265,283	\$ (1,657,317)	\$ (4,153,815)	\$ (3,939,423)	\$ 8,334,085
Debt Service as a Percentage of Noncapital Expenditures	3.11%	2.86%	2.82%	2.75%	2.58%	2.28%	2.25%	2.47%	2.37%	2.25%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30	Interest on Investments	Shared Services Child Study Team	Tuition	Rentals-Use of Facilities	Refunds	Other	Total
2009	\$ 37,752			\$ 2,300	\$ 41,659	\$ 166,480	\$ 248,191
2010	6,406					206,456	212,862
2011	5,976			2,625	78,564	51,070	138,235
2012	4,828			2,992	52,989	15,680	76,489
2013	1,572			120,000	57,160	24,888	203,620
2014	3,171				41,579	52,263	97,013
2015	6,856		\$ 1,826,417	156,060		84,524	2,073,857
2016	10,789		1,763,160	41,100	24,598	27,763	1,867,410
2017	8,964		1,757,641		22,436	168,130	1,957,171
2018	13,338	\$ 197,650	1,911,034	2,321	15,586	52,980	2,192,909

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate ^a
2009	\$ 57,093,700	\$ 581,687,900	\$ 37,973,600	\$ 87,080,400	\$ 17,209,800	\$ 781,045,400	\$ 535,480	\$ 781,580,880	\$ 1,290,027,638	\$ 1.661
2010	56,529,300	584,494,100	37,973,600	87,080,400	17,209,800	783,287,200	614,644	783,901,844	1,315,447,940	1.736
2011	67,982,800	586,141,300	38,077,700	79,831,500	17,209,800	789,243,100	546,760	789,789,860	1,256,721,214	1.794
2012	68,575,400	587,155,700	38,043,200	79,765,900	16,949,100	790,489,300	532,680	791,021,980	1,228,999,888	1.822
2013	68,418,100	587,891,700	37,398,100	79,765,900	16,471,400	789,945,200	559,307	790,504,507	1,174,989,142	1.915
2014	73,570,000	589,584,400	38,288,000	78,883,300	16,471,400	796,797,100	602,730	797,399,830	1,217,882,320	1.952
2015	75,951,500	594,488,000	38,141,500	78,883,300	16,471,400	803,935,700	602,730	804,538,430	1,206,398,485	1.962
2016	73,375,747	607,503,900	38,363,200	77,523,800	16,471,400	813,238,047	631,987	813,870,034	1,196,009,774	1.985
2017 (1)	96,231,800	966,369,000	74,198,000	106,296,000	31,582,400	1,274,677,200	930,062	1,275,607,262	1,270,429,581	1.373
2018	86,910,700	1,003,027,300	72,986,900	106,232,200	31,582,400	1,300,739,500	930,062	1,301,669,562	1,377,030,111	1.392

Source: County Abstract of Ratables

a Tax rates are per \$100

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

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

<u>Calendar Year</u>	<u>Total Direct and Overlapping Tax Rate</u>	<u>School</u>	<u>Overlapping Rates</u>	
			<u>Borough of Wood-Ridge</u>	<u>Bergen County</u>
2009	\$ 3.201	\$ 1.661	\$ 1.204	\$ 0.336
2010	3.349	1.736	1.286	0.327
2011	3.386	1.794	1.264	0.328
2012	3.468	1.822	1.301	0.345
2013	3.600	1.915	1.334	0.351
2014	3.656	1.952	1.371	0.333
2015	3.768	1.962	1.447	0.359
2016	3.833	1.985	1.489	0.359
2017	(1) 2.620	1.373	0.996	0.251
2018	2.683	1.392	1.032	0.259

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

Source: Tax Duplicate, Borough of Wood-Ridge

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

Taxpayer	2018		2009	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation	Taxable Assessed Valuation	% of Total District Net Assessed Value
WR Industrial	\$ 50,000,000	3.84%		
Wood-Ridge Development LLC - Highland Ave	15,886,300	1.22%		
One Ethel Blvd LLC	13,078,000	1.00%		
Cliff View Gardens	11,903,000	0.91%		
Wood-Ridge Development LLC - Moonachie Ave	9,086,600	0.70%	Not Available	
Windsor Wood-Ridge, LLC	8,581,100	0.66%		
Deldor Realty Corp. C/O Fiesta	6,415,200	0.49%		
Wesmont Station Res I Urb Renewal	6,177,800	0.47%		
Terminal Construction Corp	5,886,700	0.45%		
JRMA Holding LLC C/O President Cont.	5,641,300	0.43%		
	<u>\$ 132,656,000</u>	<u>10.19%</u>		

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 12,766,622	\$ 12,543,650	98.25 %	\$ 222,972
2010	13,203,323	12,103,047	91.67	1,100,276
2011	14,017,777	12,845,197	91.64	1,172,580
2012	14,313,388	13,120,606	91.67	1,192,782
2013	14,316,942	13,113,314	91.59	1,203,628
2014	15,286,337	14,012,473	91.67	1,273,864
2015	15,567,980	14,919,313	95.83	648,667
2016	16,002,622	14,669,065	91.67	1,333,557
2017	16,827,609	16,827,609	100.00	
2018	17,668,216	17,668,216	100.00	

Source: District records.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population (E)</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2009	\$ 6,050,000		\$ 6,050,000	7,430	\$ 814
2010	5,805,000		5,805,000	7,462	778
2011	5,550,000		5,550,000	7,642	726
2012	5,285,000		5,285,000	7,703	686
2013	5,035,000		5,035,000	7,876	639
2014	4,725,000		4,725,000	7,910	597
2015	4,405,000	\$ 185,147	4,590,147	7,939	578
2016	4,075,000	121,465	4,196,465	8,248	509
2017	3,730,000	59,585	3,789,585	8,630	439
2018	12,747,000		12,747,000	9,018	1,414

Source: District records

(E) Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2009	\$ 6,050,000		\$ 6,050,000	0.774	\$ 814
2010	5,805,000		5,805,000	0.741	778
2011	5,550,000		5,550,000	0.703	726
2012	5,285,000		5,285,000	0.668	686
2013	5,035,000		5,035,000	0.637	639
2014	4,725,000		4,725,000	0.593	597
2015	4,405,000		4,405,000	0.548	555
2016	4,075,000		4,075,000	0.501	494
2017	3,730,000		3,730,000	0.292	432
2018	12,747,000		12,747,000	0.979	1,414

Source: District records

**WOOD-RIDGE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2017
(Unaudited)**

	<u>Net Debt</u>
DIRECT DEBT: (1)	
Wood-Ridge Board of Education	\$ 12,747,513
Borough of Wood-Ridge	<u>38,573,885</u>
	<u>\$ 51,321,398</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) & (3)	
County of Bergen (A)	9,334,775
Bergen County Utilities Authority (B)	<u>1,712,941</u>
	<u>11,047,716</u>
Total Direct and Overlapping Debt	<u>\$ 62,369,114</u>

(A) The debt for this entity was apportioned to the Borough of Wood-Ridge by dividing the Municipality's 2017 equalized valuation by the total 2017 equalized valuation for Bergen County.

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

Sources:

- (1) Borough of Wood-Ridge Annual Debt Statement
- (2) BCUA 2017 audit.
- (3) Bergen County Debt Statement December 31, 2017

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 51,571,449	\$ 52,756,476	\$ 51,450,403	\$ 32,720,143	\$ 48,397,455	\$ 47,628,072	\$ 46,711,360	\$ 46,410,812	\$ 46,444,984	\$ 48,446,732
Total Net Debt Applicable to Limit	<u>6,050,000</u>	<u>5,805,000</u>	<u>5,550,000</u>	<u>5,285,000</u>	<u>5,035,000</u>	<u>4,725,000</u>	<u>13,782,513</u>	<u>13,452,513</u>	<u>13,107,513</u>	<u>12,747,513</u>
Legal Debt Margin	<u>\$ 45,521,449</u>	<u>\$ 46,951,476</u>	<u>\$ 45,900,403</u>	<u>\$ 27,435,143</u>	<u>\$ 43,362,455</u>	<u>\$ 42,903,072</u>	<u>\$ 32,928,847</u>	<u>\$ 32,958,299</u>	<u>\$ 33,337,471</u>	<u>\$ 35,699,219</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.73%	11.00%	10.79%	16.15%	10.40%	9.92%	29.51%	28.99%	28.22%	26.31%

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized Valuation Basis	
2015	1,153,257,352
2016	1,171,812,748
2017	<u>1,308,434,818</u>
	<u>\$ 3,633,504,918</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,211,168,306</u>
Debt Limit (4 % of Average Equalization Value)	\$ 48,446,732
Total Net Debt Applicable to Limit	<u>12,747,513</u>
Legal Debt Margin	<u>\$ 35,699,219</u>

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2009	6.80%	\$ 65,097	7,430
2010	6.90%	66,080	7,462
2011	6.80%	69,044	7,642
2012	7.00%	71,953	7,703
2013	5.70%	71,449	7,876
2014	5.30%	73,293	7,910
2015	4.80%	76,388	7,939
2016	4.40%	77,187	8,248
2017	4.00%	77,187	E 8,630
2018	4.00%	E 77,187	E 9,018

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

(E) Estimated
(1) County of Bergen

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>2018</u>
Instruction										
Regular	68.4	72.9	72.0	71.8	66.0	75.4	83.2	80.4	84.0	80.6
Special Education	11.5	11.5	11.5	11.5	14.6	16.8	15.8	16.0	16.0	19.0
Other Special Education	11.0	9.0	9.3	9.2	4.0	2.0	2.0	2.0	2.6	7.5
Other Instruction	4.1	5.1	5.7	6.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student and Instruction Related Services	13.5	13.2	13.2	13.2	15.0	17.0	11.0	18.5	21.0	21.0
General Administration	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0	4.0
School Administrative Services	7.5	7.3	7.3	7.3	9.0	9.0	8.0	8.0	8.0	10.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	3.0	3.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0	1.0	1.0
Plant Operations And Maintenance	13.0	12.0	12.0	12.0	11.5	12.0	11.5	12.0	12.0	12.0
Pupil Transportation		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Food Service	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Total	<u>135.0</u>	<u>137.5</u>	<u>137.5</u>	<u>137.5</u>	<u>128.1</u>	<u>141.7</u>	<u>142.0</u>	<u>147.4</u>	<u>154.1</u>	<u>160.6</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2009	1,195	\$ 15,758,836	\$ 13,187	-4.20%	97.0	1:14	1:15	1:10	1,185	1,127	2.78%	95.11%
2010	1,182	16,338,276	13,823	4.82%	98.5	1:16	1:13	1:13	1,143	1,106	-3.54%	96.76%
2011	1,159	16,592,373	14,316	3.57%	98.5	1:12	1:13	1:11	1,147	1,087	0.35%	94.77%
2012	1,159	17,033,402	14,697	2.66%	98.5	1:12	1:13	1:11	1,160	1,098	1.13%	94.66%
2013	1,140	18,237,874	15,998	8.86%	98.6	1:11	1:18	1:10	1,137	1,087	-1.98%	95.60%
2014	1,140	19,518,621	17,122	7.02%	112.2	1:11	1:10	1:9	1,134	1,087	-0.26%	95.86%
2015	1,200	19,933,503	16,611	-2.98%	110.1	1:10	1:12	1:11	1,182	1,141	4.23%	96.53%
2016	1,182	20,868,102	17,655	6.28%	99.40	1:10	1:12	1:11	1,178	1,139	-0.34%	96.69%
2017	1244	21,815,879	17,537	-0.67%	103.60	1:14	1:15	1:12	1215	1169	3.14%	96.21%
2018	1243	22,956,754	18,469	4.61%	108.10	1:14	1:16	1:11	1247	1199	5.86%	96.15%

Sources: District records

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>Elementary</u>										
Catherine A. Doyle (1952)										
Square Feet	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587
Capacity (students)	355	355	355	355	355	355	355	355	355	355
Enrollment	529	535	525	525	501	319	351	353	383	384
<u>Middle School</u>										
Wood-Ridge Intermediate School (2014)*										
Square Feet	N/A	N/A	N/A	N/A	N/A	37,725	37,725	37,725	37,725	37,725
Capacity (students)	N/A	N/A	N/A	N/A	N/A	290	290	290	290	290
Enrollment	N/A	N/A	N/A	N/A	N/A	279	267	268	262	248
Ostrovsky Middle School (1958)**										
Square Feet	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738
Capacity (students)	244	244	244	244	244	244	244	244	244	244
Enrollment	239	247	263	263	282	192	198	188	170	191
<u>High School</u>										
Wood-Ridge High School (1923)										
Square Feet	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792
Capacity (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	427	400	371	371	357	357	366	389	429	420
<u>Central Administration</u>										
Square Feet	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531

Number of Schools at June 30, 2018

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

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

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

Source: District Records

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

	<u>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>2018</u>
* School Facilities										
Catherine A. Doyle Elementary School	\$ 86,042	\$ 84,769	\$ 115,075	\$ 120,686	\$ 136,079	\$ 84,601	\$ 121,924	\$ 113,118	\$ 108,488	\$ 90,753
Intermediate School						52,174	75,080	69,657	66,806	55,885
Ostrovsky Middle School	87,917	74,088	101,081	90,710	99,378	83,361	78,287	72,633	69,660	58,273
Wood-Ridge High School	<u>110,643</u>	<u>105,650</u>	<u>127,723</u>	<u>116,832</u>	<u>121,058</u>	<u>85,313</u>	<u>85,224</u>	<u>79,068</u>	<u>75,831</u>	<u>63,435</u>
Total School Facilities	284,602	264,507	343,879	328,228	356,515	305,449	360,515	334,476	320,785	268,346
Other Facilities										
Central Administration	-	-	-	1,563	4,193	-	-	-	-	-
Grand Total	<u>\$ 284,602</u>	<u>\$ 264,507</u>	<u>\$ 343,879</u>	<u>\$ 329,791</u>	<u>\$ 360,708</u>	<u>\$ 305,449</u>	<u>\$ 360,515</u>	<u>\$ 334,476</u>	<u>\$ 320,785</u>	<u>\$ 268,346</u>

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

Source: School District's records

**WOOD-RIDGE BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2018
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	School Package Policy	\$ 48,069,127	\$ 2,500
	Building and Contents (All Locations)		
	Boiler and Machinery	100,000,000	1,000
	Comprehensive General Liability	5,000,000	-0-
	School Board Legal Liability	500,000	1,000
	Employer Liability	5,000,000	10,000
	Workers Compensation	1,000,000	10,000
	Statutory		-
Hartford Fire Insurance Company	Surety Bonds		
	Board Secretary/Business Administrator - J. Murray	225,000	N/A

Source: School Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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MARK SACO, CPA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Board of Education as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Wood-Ridge Board of Education's basic financial statements and have issued our report thereon dated January 23, 2019.

Internal Control Over Financial Reporting

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

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

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

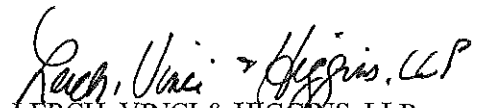
Compliance and Other Matters


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Wood-Ridge Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 23, 2019.

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 23, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Wood-Ridge Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Wood-Ridge Board of Education's major state programs for the fiscal year ended June 30, 2018. The Wood-Ridge Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Wood-Ridge Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

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


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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wood-Ridge Board of Education, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated January 23, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 23, 2019

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2017		Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Unearned Revenue Carryover Adjustments	Accounts Receivable Carryover Adjustments	Balance at June 30, 2018			Memo GAAP Receivable
						(Account Receivable)	Revenue							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																	
Passed-through State Department of Education																	
General Fund:																	
Medical Assistance Program (SEMI)	93.778	1805NJ5MAP	N/A	7/01/17-6/30/18	\$ 1,876	-	-	-	-	\$ 1,876	\$ 1,876	-	-	-	-	-	-
Total General Fund						-	-	-	-	1,876	1,876	-	-	-	-	-	-
Special Revenue Fund:																	
NCLB Consolidated:																	
IDEA Part B - Basic	84.027	H027A170100	IDEA5830-18	7/01/17-6/30/18	261,690				\$ (8,478)	270,168	261,690						
IDEA Part B - Basic	84.027	H027A160100	IDEA5830-17	7/01/16-6/30/17	251,718	\$ (8,478)	\$ 1		8,478			\$ (1)					
IDEA Part B - Preschool	84.173	H173A170114	IDEA5830-18	7/01/17-6/30/18	11,563					11,563	11,563						
Title I	84.010	S010A170030	NCLB5830-18	7/01/17-6/30/18	94,277			\$ 7,286	(20,924)	56,474	89,197			\$ (58,727)	\$ 12,366		\$ (46,361)
Title I, Carryover	84.010	S010A160030	NCLB5830-17	7/01/16-6/30/17	95,830	(20,924)	7,286	(7,286)	20,924								
Title II - Part A	84.367A	S367A170029	NCLB5830-18	7/01/17-6/30/18	18,660			6,333	(6,333)	4,299	10,332			(20,694)	14,661		(6,033)
Title II - Part A, Carryover	84.367A	S367A160029	NCLB5830-17	7/01/16-6/30/17	14,316	(6,333)	6,183	(6,333)	6,333			150					
Title III	84.365	S365A170030	NCLB5830-18	7/01/17-6/30/18	10,000				(3,387)	2,286	7,715		\$ 1,101	(10,000)	2,285		(7,715)
Title III, Carryover	84.365	S365A160030	NCLB5830-17	7/01/16-6/30/17	3,387	(3,387)	2,932		3,387			(2,932)					
Title III Immigrant	84.365	S365A170030	NCLB5830-18	7/01/17-6/30/18	2,026									(2,026)	2,026		-
Title IV	84.424	S424A170031	NCLB5830-18	7/01/17-6/30/18	8,939						4,485			(8,939)	4,454		(4,485)
Total Special Revenue Fund						(39,122)	16,402	-	-	344,790	384,982	(2,783)	1,101	(100,386)	35,792	-	(64,594)
U.S. Department of Agriculture																	
Passed-through State Department of Agriculture																	
Enterprise Fund:																	
School Breakfast Program	10.553	181NJ304N1099	N/A	7/01/17-6/30/18	10,106					9,369	10,106			(737)			(737)
School Breakfast Program	10.553	171NJ304N1099	N/A	7/01/16-6/30/17	10,553	(802)				802							
National School Lunch Program																	
Non-Cash Assistance	10.555	181NJ304N1099	N/A	7/01/17-6/30/18	34,309					34,309	34,309						
Cash Assistance	10.555	181NJ304N1099	N/A	7/01/17-6/30/18	96,156					90,800	96,156			(5,356)			(5,356)
Cash Assistance	10.555	171NJ304N1099	N/A	7/01/16-6/30/17	98,404	(5,851)				5,851							
Total Enterprise Fund						(6,653)	-	-	-	141,131	140,571	-	-	(6,093)	-	-	(6,093)
Total Federal Financial Awards						\$ (45,775)	\$ 16,402	\$ -	\$ -	\$ 487,797	\$ 527,429	\$ (2,783)	\$ 1,101	\$ (106,479)	\$ 35,792	\$ -	\$ (70,687)

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2017				Balance June 30, 2018				MEMO		
				(Accts Rec)	Unearned Revenue	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 79,500			\$ 76,249	\$ 79,500			\$ (3,251)				\$ 79,500
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	40,733	(1,648)		1,648								
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	662,355			635,272	662,355			(27,083)				662,355
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	662,355	(26,808)		26,808								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	22,479			21,560	22,479			(919)				22,479
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	22,479	(910)		910								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	10,940			10,493	10,940			(447)				10,940
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	10,940	(443)		443								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	10,980			10,531	10,980			(449)				10,980
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	10,980	(444)		444								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	10,940			10,492	10,940			(448)				10,940
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	10,940	(443)		443								
Total State Aid Public				(30,696)		795,293	797,194			(32,597)				797,194
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	36,887			35,379	36,887			(1,508)				36,887
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	36,887	(1,493)		1,493								
Extraordinary Special Education Costs	18-495-034-5120-044	7/1/17-6/30/18	305,577				305,577			(305,577)				305,577
Extraordinary Special Education Costs	17-495-034-5120-044	7/1/16-6/30/17	265,763	(265,763)		265,763								
On-Behalf TPAF Contributions-Post Retirement	18-495-034-5094-001	7/1/17-6/30/18	677,958			677,958	677,958							677,958
On-Behalf TPAF Contributions-Normal Cost	18-495-034-5094-002	7/1/17-6/30/18	1,024,797			1,024,797	1,024,797							1,024,797
On-Behalf TPAF Contributions-NCGI	18-495-034-5094-004	7/1/17-6/30/18	24,869			24,869	24,869							24,869
On-Behalf TPAF Contributions-LTDI	18-495-034-5094-004	7/1/17-6/30/18	2,401			2,401	2,401							2,401
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	569,228			540,776	569,228			(28,452)		\$	(28,452)	569,228
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	528,099	(26,535)		26,535								
Total General Fund				(324,487)		3,395,264	3,438,911			(368,134)				3,438,911
Capital Projects Fund														
2014 Referendum:														
Ostrovsky Middle School Gym HVAC	5830-070-14-1009	7/1/14-6/30/15	271,200	(10,063)	\$ 150,814		1,602			(10,063)	\$ 149,212		(10,063)	1,602
Ostrovsky Middle School Windows	5830-070-14-1010	7/1/14-6/30/15	303,680	(14,091)	6,254		6,254			(14,091)			(14,091)	6,254
Ostrovsky Middle School HVAC	5830-070-14-1008	7/1/14-6/30/15	676,200	(491,403)		393,123				(98,280)			(98,280)	
Doyle HVAC	5830-060-14-1007	7/1/14-6/30/15	1,020,040	(36,202)						(36,202)			(36,202)	
Doyle Window Replacement	5830-060-14-1005	7/1/14-6/30/15	233,880	(9,665)						(9,665)			(9,665)	
High School Window Replacement	5830-050-14-1004	7/1/14-6/30/15	443,880	(17,710)						(17,710)			(17,710)	
High School HVAC	5830-050-14-1001	7/1/14-6/30/15	1,493,520	(1,088,855)	344,086	435,542	344,086			(653,313)			(653,313)	344,086
Total Capital Projects Fund				(1,667,989)		501,154	828,665	351,942		(839,324)	149,212		(839,324)	351,942
Debt Service Fund:														
Debt Service Aid	18-495-034-5120-075	7/1/17-6/30/18	18,403			18,403	18,403							18,403
Total Debt Service Fund						18,403	18,403							18,403
Enterprise Fund:														
State Department of Agriculture														
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	4,485			4,240	4,485			(245)			(245)	4,485
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	3,770	(234)		234								
Total Enterprise Fund				(234)		4,474	4,485			(245)			(245)	4,485
Total State Financial Assistance Subject to Single Audit Determination				(1,992,710)		4,246,806	3,813,741			(1,207,703)	149,212		(868,021)	3,813,741

100

WOOD-RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2017				Balance June 30, 2018			MEMO			
				(Accts Rec)	Unearned Revenue	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund - On Behalf TPAF														
Post Retirement Medical	18-495-034-5094-001	7/1/17-6/30/18	\$ 677,958			\$ (677,958)	\$ (677,958)						\$ (677,958)	
Pension Contributions	18-495-034-5094-002	7/1/17-6/30/18	1,024,797			(1,024,797)	(1,024,797)						(1,024,797)	
Long Term Disability Insurance	18-495-034-5094-004	7/1/17-6/30/18	2,401			(2,401)	(2,401)						(2,401)	
NCGL Premium	18-495-034-5094-004	7/1/17-6/30/18	24,869			(24,869)	(24,869)						(24,869)	
Total State Financial Assistance Subject to Major Program Determination				\$ (1,992,710)	\$ 501,154	\$ 2,516,781	\$ 2,083,716	\$ -	\$ -	\$ (1,207,703)	\$ 149,212	\$ -	\$ (868,021)	\$ 2,083,716

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$41,730 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,876	\$ 3,397,181	\$ 3,399,057
Special Revenue Fund	384,982		384,982
Capital Projects Fund		351,942	351,942
Debt Service Fund		18,403	18,403
Food Service Fund	<u>140,571</u>	<u>4,485</u>	<u>145,056</u>
Total Awards Financial Assistance	<u>\$ 527,429</u>	<u>\$ 3,772,011</u>	<u>\$ 4,299,440</u>

**WOOD-RIDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$569,228 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$1,049,666, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$677,958 and TPAF Long-Term Disability Insurance in the amount of \$2,401 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to basic financial statements noted?

_____ yes X no

Federal Awards Section

Not Applicable

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

**WOOD-RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**WOOD-RIDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2017-001

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

Status

Corrective action has been taken.