

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Wyckoff, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Wyckoff Township Public Schools

Wyckoff, New Jersey

For The Fiscal Year Ended June 30, 2018

Prepared by

The Business Office

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INTRODUCTORY SECTION



Wyckoff School District

241 Morse Avenue
Wyckoff, New Jersey 07481

www.wyckoffps.org

Tel 201-848-5700

Fax 201-848-5695

Richard D. Kuder, Ed.D.
Superintendent of Schools

Patricia A. Salvati, CPA
School Business Administrator/Board Secretary

January 22, 2019

Honorable President, Members of the School
District and Citizens of Wyckoff Township
Wyckoff Township Public School District
Wyckoff, New Jersey 07481

Dear Board Members:

The comprehensive annual financial report of the Wyckoff Township Public School District (the "Board" or the "District") 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 Wyckoff Township Public School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, and basic financial statements including the government-wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". The basic financial statements also include individual fund financial statements, Notes to the Financial Statements and Required Supplementary Information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information

related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Wyckoff Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 13. All funds of the District are included in this report. The Wyckoff Township Public School District and all of its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2017/2018 fiscal year with an average daily enrollment of 1,968 students, which reflects a decrease of 4.4% over the previous year's enrollment.

The following details the changes in the average daily enrollment of the District, net of special education out of district placements, over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2017-2018	1,968	(4.4%)
2016-2017	2,058	(0.008%)
2015-2016	2,075	(1.43%)
2014-2015	2,105	8.51
2013-2014	1,940	(8.27)
2012-2013	2,115	(6.21)
2011-2012	2,255	(3.05)
2010-2011	2,326	(1.48)
2009-2010	2,361	(1.25)
2008-2009	2,391	1.27

ECONOMIC CONDITION AND OUTLOOK: The Township of Wyckoff is a stable, vibrant, residential community, located approximately 27 miles from New York City that encompasses an area of approximately seven square miles with a total population of approximately 16,700. The Township’s location affords residents employment opportunities throughout the deep and diverse New York City and northern New Jersey economies. The Township’s unemployment rate, at 4.2% in June 2016, has historically trended below county, state, and national levels according to Standard & Poor’s “Ratings Direct on the Global Credit Portal”.

The above cited Standard & Poor's report also stated that the Township's tax base is sizable and stable. The Township underwent a revaluation of its property in 2015. The total assessed value for fiscal 2018 is \$4.7 billion, or \$281,437 per capita, which represents an increase of 6.4% over the fiscal 2017 amount of \$4.67 billion. Residential properties account for 93% of the assessed value, and the average assessed home value is \$787,000.

The District continues to find itself in a strong economic position as indicated by its **AA+** long-term rating and school issuer credit rating from Standard & Poor's Ratings Services. For the current school year, on a budgetary basis, the district's General Fund ended the year with a fund balance of \$6,764,298 which represented an increase of \$676,069 over the prior year. The \$6.76 million balance represents 18.7% of the General Fund's current year's expenditures of \$36.2 million (budgetary basis), net of the State's on-behalf TPAF and Social Security payments of \$5.5 million. As a result of this large surplus the district will be required, due to a 2% cap limitation imposed by the State, to put \$950,000 of its surplus into a Restricted Fund Balance category that will be utilized by the district as a revenue funding source in its 2019-2020 budget. In addition, \$950,000 of the surplus was utilized as a revenue funding source in its 2018-2019 budget.

The District's primary funding source is property tax revenue. The amount to be raised in taxes is determined by the Wyckoff Board of Education without voter approval through the District's normal budgeting process and, under P.L. 2011, c202 that the Wyckoff Board of Education implemented for the 2012-2013 year, is limited to a cap of 2%.

The district's strong fund balance position and the ability to guarantee the adoption of prudent budgets will enable the District to continue to provide its students with a high quality educational program while still remaining within the limits of a 2% tax levy cap that has been imposed by the State.

MAJOR INITIATIVES:

Capital Improvements –

The Wyckoff Public School District continues to invest significant resources into improving its infrastructure. The following projects were completed during the 2017-2018 year: Air Conditioning Installation and Unit Ventilator Replacement at Lincoln Elementary School, Air Conditioning Installation at Washington Elementary School, and Telecommunications Upgrades district-wide, totaling \$1.23 million.

Curriculum -

The Wyckoff Public School District continuously focuses on strengthening practices and programs. Over the past year, our evidence-based research practices have supported our efforts to make significant improvements to our educational community.

We have continued to keep our focus aligned to three large umbrella areas, namely *Curriculum and Instruction, Cultivating a Connected Community, and Climate and Culture: Building a Caring Community*. In the area of Curriculum and Instruction, the focus is on meeting the needs of diverse learners, incorporating Reggio Emilia inspired instruction in Pre-K and Kindergarten classes, Block Play through grade 2 and Multiple Tiered Systems of Support (MTSS) for grades K-1.

Science instruction was a focus for the 2017-2018 school year. The Next Generation Science Standards implementation of new units of study fully began in the fall, 2017. The Middle School Science teachers continued to refine their science curriculum, which also reflects the Next Generation Science Standards (NGSS). STEM work is being implemented, based upon updated/new curriculum.

Additionally, significant efforts were made to support new teachers to the Wyckoff School District through a revised and enhanced mentoring process, as well as a professional development in English Language Arts and Mathematics.

In the area of Climate and Culture: Building a Caring Community, district elementary schools continue to learn and implement Responsive Classroom practices to promote social emotional wellness. Additionally, our staff worked with Dr. Derrick Gay, an expert in the field of inclusion and diversity, to equip our teachers and staff to recognize and address the needs of diverse learners.

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

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

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

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 Board of Education. Annual appropriated budgets are adopted for the General, Special Revenue, and the Debt Service Funds. Project-length budgets are approved for the capital improvements and are accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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, CPAs, was selected by the School District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements, combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Facilities - The District's ongoing upgrades to all of its buildings ensures that its physical plant is able to accommodate the District's current and anticipated future student population needs, and meet all current building safety standards and building codes. The District deems the current available capital reserve funds adequate to meet future capital needs as they arise.

Long-Term Financial Planning – The District intends to prepare future budgets within the 2% tax cap levy mandated by the State of New Jersey. Additionally, the District continually monitors its ability to refinance its outstanding long-term obligations to capitalize on favorable market conditions.

Projected Enrollment – The District undertook a demographic study in conjunction with other contiguous school districts in May 2016 that projects future enrollments. The study indicates that the enrollment beginning with the 2017/18 school year will be declining based on birth rates of the prior five years.

AWARDS: The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the 15th consecutive year that the District applied for and received the award. This Certificate of Excellence is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Excellence, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Wyckoff Public School District and its teaching staff enjoy a long history of recognition for excellence including National Blue Ribbon Status, Benchmark School status (BCEE), and Lab School status (NJOE). Its most recent recognitions are as follows:

In 2013 Sicomac Elementary School was one of only 57 schools in the State to be named a “Reward School” by the State Department of Education for demonstrating a high overall level of performance on State tests.

In 2014 the Student Council of Coolidge School received the National Award for Excellence in the area of Community Service by the National Association of Elementary School Principals Foundation.

In 2014 Washington Elementary School was one of only 39 schools in the State to be named a “Reward School” by the State Department of Education for demonstrating a high overall level of performance on State tests.

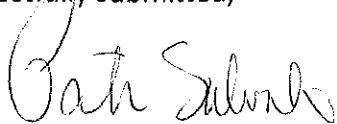
In 2016 Eisenhower Middle School was one of 30 schools nationwide named as a School to Watch by the National Forum for Accelerating Middle Reform.

In 2018 the Wyckoff Township Public Schools was accepted to the League of Innovative Schools, a national coalition of 102 forward-thinking school districts organized by Digital Promise, a nonprofit organization with the mission to accelerate innovation in education and improve the opportunity to learn for all through technology and research.

ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Wyckoff Township Public School Board of Trustees for their concern in providing fiscal accountability to the

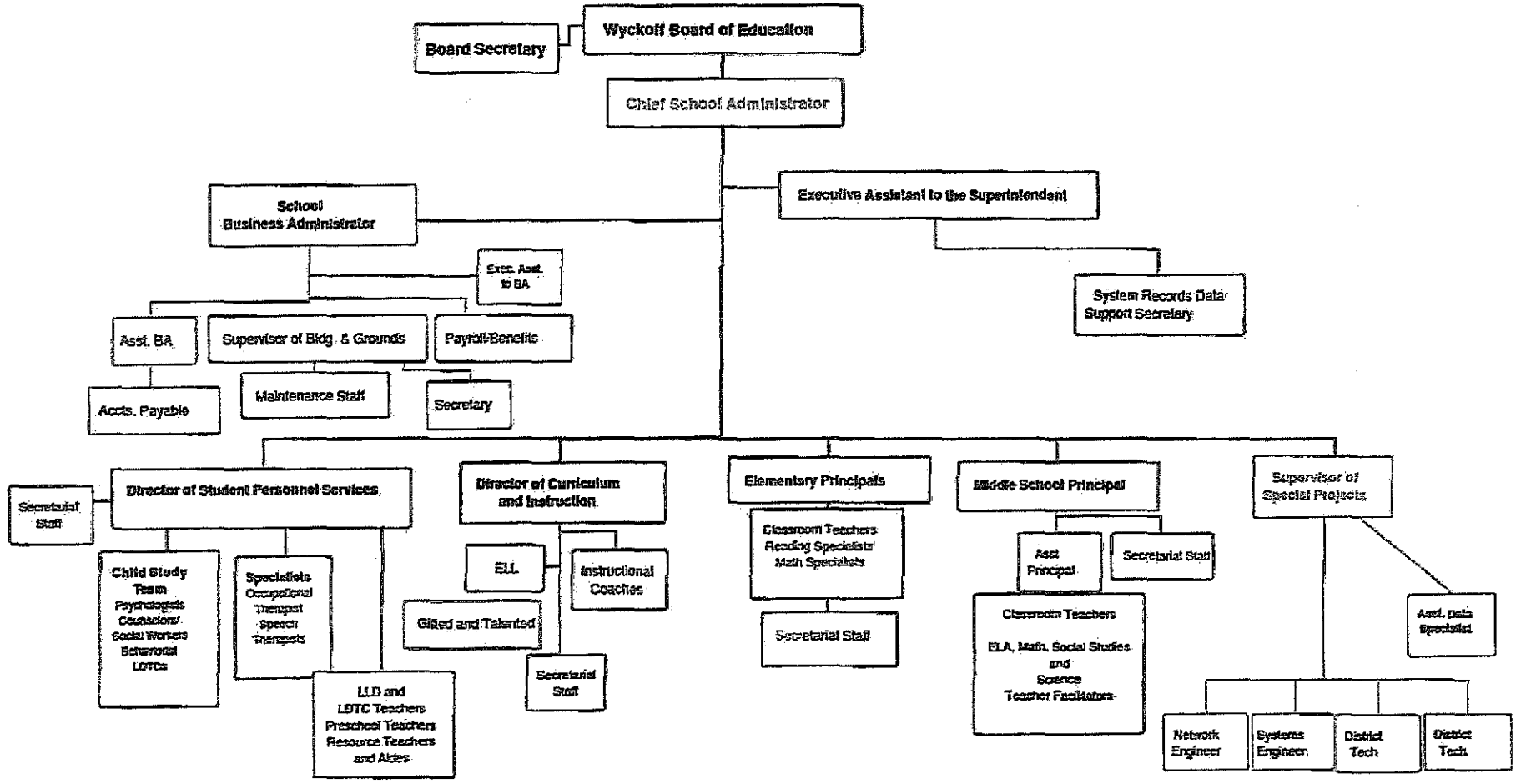
citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patricia Salvati". The signature is written in a cursive style with a large initial "P".

Patricia A. Salvati, CPA
Board Secretary/School Business Administrator

WYCKOFF TOWNSHIP PUBLIC SCHOOLS ORGANIZATIONAL CHART



**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
WYCKOFF, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Anthony R. Francin, President	January 2021
Lisa Martone, Vice President	January 2021
Frederic Farcy	January 2019
Georgina Nico	January 2019
Christopher Della Pietra	January 2020
Timothy Murtha	January 2020
Daniel McHugh, CPA	January 2020

Other Officials

Dr. Richard Kuder	Superintendent of Schools
Patricia A. Salvati, CPA	Board Secretary / School Business Administrator

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
WYCKOFF, NEW JERSEY**

Consultants and Advisors

Architect

DiCara & Rubino
30 Galesi Dr.
Wayne, NJ 07470

Audit Firm

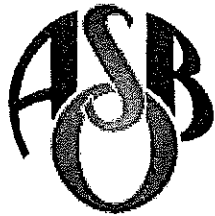
Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, New Jersey 07410

Attorney

Fogarty & Hara
21-00 Route 208 South
Fair Lawn, NJ 07410

Official Depositories

Capital One Bank
840 Franklin Avenue
Franklin Lakes, NJ 07417



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

Wyckoff Township Public Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Wyckoff Township Public Schools
Wyckoff, 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 Wyckoff Township Public Schools, 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 Wyckoff Township Public Schools 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 Wyckoff Township Public Schools 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 Wyckoff Township Public Schools' basic financial statements. The introductory section, combining and individual nonmajor 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 Wyckoff Township Public Schools.

The combining and individual nonmajor 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 and individual nonmajor 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.

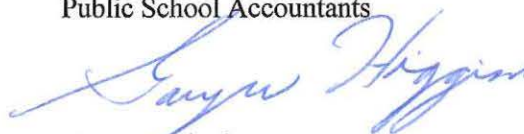
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2019 on our consideration of the Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
January 22, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The discussion and analysis of the Wyckoff Township Public Schools' (the "District") 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.

The Management's Discussion and Analysis (MD&A) is an element of Required and Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments".

Financial Highlights

- The assets and deferred outflows of resources of the Wyckoff Township Public Schools exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,213,850 (net position).
- The District's total net position increased \$1,328,688. The increase is attributable to current year operating results.
- General revenues accounted for \$38,682,110 in revenue or 70 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants accounted for \$16,625,239 or 30 percent of total revenues of \$55,307,649.
- The District had \$53,427,022 in expenses related to governmental activities; only \$16,034,331 was offset by program specific charges for services, grants or contributions. General revenues net of transfers (primarily property taxes) of \$38,613,415 were adequate to provide for these programs.
- Among governmental funds, the General Fund (GAAP Basis) had \$43,825,826 in revenues and \$43,198,895 in expenditures and other financing uses. The General Fund's fund balances increased by \$626,931. This increase is the net result of current year operations.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Overview of the Financial Statements

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

The discussion and analysis are intended to serve as an introduction to the Wyckoff Township Public Schools District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *District-wide financial statements* 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 Wyckoff Township Public Schools, the General Fund is by far the most significant fund.

Government-Wide Financial Statements

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/inflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, 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.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Government-Wide Financial Statements (Continued)

- Business-Type Activities – These services are provided on a charge for goods or services basis to recover the cost of the goods and services provided. The District's food service, summer enrichment, pay to participate, social club and chromebook programs are each reported as a business-type activity.

Fund Financial Statements

Fund financial statements provide detailed information about the District's many funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, and Debt Service Fund. The District's Enterprise Fund includes the Food Services Fund, Summer Enrichment Fund, Pay-to-Participate Fund, Social Club Fund and Chromebook Program Fund. These funds are more fully explained in the *Notes to the Financial Statements*.

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

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Other Information

In addition to the basic financial statements, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the General, Special Revenue and Debt Service Funds. A budgetary comparison statement has been provided for each of these funds as required supplementary information. Additionally, certain required supplementary information regarding pensions as required by GASB 68 and postemployment benefits as required by GASB 75 is presented. The required supplementary information can be found following the Notes to the Financial Statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

District-Wide Financial Analysis

The *Statement of Net Position* provides the perspectives of the District as a whole, showing assets and deferred outflows of resources versus liabilities and 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. In the case of the Wyckoff Township Public Schools', assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,213,850 and \$14,885,162 at June 30, 2018 and 2017, respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

District-Wide Financial Analysis (Continued)

Table 1 provides a summary of the District's net position as of June 30, 2018 and 2017.

Table 1
Net Position
as of June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$ 6,764,388	\$ 6,347,773	\$ 368,639	\$ 192,431	\$ 7,133,027	\$ 6,540,204
Capital Assets						
Net of Accumulated Depreciation	39,132,830	39,619,690	235,878	253,367	39,368,708	39,873,057
Total Assets	<u>45,897,218</u>	<u>45,967,463</u>	<u>604,517</u>	<u>445,798</u>	<u>46,501,735</u>	<u>46,413,261</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	1,435,751	1,658,482			1,435,751	1,658,482
Deferred Amount on Net Pension Liability	<u>2,985,976</u>	<u>4,433,157</u>	<u>-</u>	<u>-</u>	<u>2,985,976</u>	<u>4,433,157</u>
Total Deferred Outflows of Resources	<u>4,421,727</u>	<u>6,091,639</u>	<u>-</u>	<u>-</u>	<u>4,421,727</u>	<u>6,091,639</u>
Liabilities						
Long-term Liabilities	31,661,601	36,819,949			31,661,601	36,819,949
Other Liabilities	<u>534,938</u>	<u>756,208</u>	<u>94,336</u>	<u>43,581</u>	<u>629,274</u>	<u>799,789</u>
Total Liabilities	<u>32,196,539</u>	<u>37,576,157</u>	<u>94,336</u>	<u>43,581</u>	<u>32,290,875</u>	<u>37,619,738</u>
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	<u>2,418,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,418,737</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>2,418,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,418,737</u>	<u>-</u>
Net Position						
Net Investment in						
Capital Assets	19,296,164	18,666,868	235,878	253,367	19,532,042	18,920,235
Restricted	3,481,289	2,832,343			3,481,289	2,832,343
Unrestricted	<u>(7,073,784)</u>	<u>(7,016,266)</u>	<u>274,303</u>	<u>148,850</u>	<u>(6,799,481)</u>	<u>(6,867,416)</u>
Total Net Position	<u>\$ 15,703,669</u>	<u>\$ 14,482,945</u>	<u>\$ 510,181</u>	<u>\$ 402,217</u>	<u>\$ 16,213,850</u>	<u>\$ 14,885,162</u>

The District's combined net position increased \$1,328,688 during the year ended June 30, 2018. This was an increase of 8.93 percent from the prior year.

Governmental Activities

- Net investment in capital assets increased \$629,296 as the result of acquisitions and debt reductions exceeding depreciation.
- Restricted net position increased \$648,946 as a result of Board approved deposits into the capital reserve exceeding budgeted withdrawals and the Board approved funding of a maintenance reserve for \$100,000.
- Unrestricted net position decreased \$57,518 due to the net results of current year operations.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

District-Wide Financial Analysis (Continued)

Business-Type Activities

- Net investment in capital assets decreased \$17,489 as a result of depreciation exceeding acquisitions of capital assets.
- Unrestricted net position increased \$125,453 due to the net results of current year operations.

Table 2 shows changes in net position for fiscal years ended June 30, 2018 and 2017.

Table 2
Change in Net Position
for the Fiscal Years Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charge for Services	\$ 81,649	\$ 81,679	\$ 590,908	\$ 589,049	\$ 672,557	\$ 670,728
Operating Grants and Contributions	15,952,682	15,216,378			15,952,682	15,216,378
General Revenues:						
Property Taxes	38,485,136	37,763,120			38,485,136	37,763,120
Other	196,391	174,818	583	535	196,974	175,353
Total Revenues	<u>54,715,858</u>	<u>53,235,995</u>	<u>591,491</u>	<u>589,584</u>	<u>55,307,349</u>	<u>53,825,579</u>
Program Expenses						
Instruction	32,020,650	32,317,911			32,020,650	32,317,911
Support Services:						
Student and Instruction Related Services	10,087,030	9,737,909			10,087,030	9,737,909
General Administration, School Administration, Business/Central, Operations and Maintenance of Facilities	9,778,603	9,781,507			9,778,603	9,781,507
Pupil Transportation	705,836	728,400			705,836	728,400
Interest and Other Charges on Debt	834,903	876,602			834,903	876,602
Food Service, Summer Enrichment, Social Club, Chromebook Program and Pay to Participate	-	-	551,639	568,498	551,639	568,498
Total Expenses	<u>53,427,022</u>	<u>53,442,329</u>	<u>551,639</u>	<u>568,498</u>	<u>53,978,661</u>	<u>54,010,827</u>
Change in Net Position Before Transfers	1,288,836	(206,334)	39,852	21,086	1,328,688	(185,248)
Transfers	(68,112)	(44,560)	68,112	44,560	-	-
Change in Net Position	1,220,724	(250,894)	107,964	65,646	1,328,688	(185,248)
Net Position, Beginning of Year	<u>14,482,945</u>	<u>14,733,839</u>	<u>402,217</u>	<u>336,571</u>	<u>14,885,162</u>	<u>15,070,410</u>
Net Position, End of Year	<u>\$ 15,703,669</u>	<u>\$ 14,482,945</u>	<u>\$ 510,181</u>	<u>\$ 402,217</u>	<u>\$ 16,213,850</u>	<u>\$ 14,885,162</u>

WYCKOFF TOWNSHIP PUBLIC SCHOOLS

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

District-Wide Financial Analysis (Continued)

Governmental Activities

The District's total revenues were \$54,715,858 and \$53,235,995 for the years ended June 30, 2018 and 2017, respectively. Property taxes made up 70 and 71 percent of revenues for governmental activities for the District for fiscal years 2018 and 2017, respectively. Federal, State and local grants made up 30 and 29 percent of revenues for governmental activities for the Wyckoff Township Public Schools for the years ended June 30, 2018 and 2017, respectively. The majority of the increase in revenues of \$1,479,863 from 2017 to 2018 is attributable to the net of an increase in property taxes of \$722,016 and on-behalf other post-employment benefits expense of \$2,865,915 and a decrease in on-behalf TPAF pension revenue of \$2,300,613 which is offset with the related pension expense.

The total cost of all programs and services was \$53,427,022 and \$53,442,329 for the years ended June 30, 2018 and 2017, respectively. Instruction comprises 60 and 60 percent of governmental activities program expenses for the years ended June 30, 2018 and 2017, respectively. Support services expenses make up 39 and 38 percent of governmental activities expenses for the 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. Table 3 shows, for government activities, the total cost of services and the net cost of services for the fiscal years ended June 30, 2018 and 2017. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Total and Net Cost of Governmental Activities
for the Fiscal Year 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	\$ 32,020,650	\$ 32,317,911	\$ 20,634,036	\$ 21,030,908
Support Services:				
Student and Instructional Related Services	10,087,030	9,737,909	6,862,700	6,881,193
General Administration, School Admin., Business/ Central, Operation and Maintenance of Facilities	9,778,603	9,781,507	8,465,025	8,724,640
Pupil Transportation	705,836	728,400	596,027	630,929
Interest on Debt	<u>834,903</u>	<u>876,602</u>	<u>834,903</u>	<u>876,602</u>
Total Expenses	<u>\$ 53,427,022</u>	<u>\$ 53,442,329</u>	<u>\$ 37,392,691</u>	<u>\$ 38,144,272</u>

Business-Type Activities

The District's business-type activities include the food service operation, summer enrichment program, social club, pay-to-participate program and chromebook program. The programs had revenues and transfers from the General Fund of \$659,603 and \$634,144 and expenses of \$551,639 and \$568,498 in years 2018 and 2017, respectively. Of these revenues, \$590,908 and \$589,049 were charges for services paid by patrons for the years 2018 and 2017, respectively.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The School District's Funds

All governmental funds (i.e., general fund, special revenue 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 \$46,393,490 and \$44,824,891 for the years ended June 30, 2018 and 2017, respectively.

Total expenditures amounted to \$45,698,447 and \$45,187,027 for the 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 schedule presents a comparison of the revenues of the governmental funds for the fiscal years ending June 30, 2018 and 2017.

<u>Revenues</u>	<u>Amount</u>		Increase/(Decrease) <u>2017 vs. 2018</u>	
	<u>2018</u>	<u>2017</u>	<u>Amount</u>	<u>Percent</u>
Local Sources	\$ 38,745,950	\$ 38,022,543	\$ 723,407	1.90%
State Sources	7,085,091	6,233,763	851,328	13.66%
Federal Sources	<u>562,449</u>	<u>568,585</u>	<u>(6,136)</u>	-1.08%
 Total	 <u>\$ 46,393,490</u>	 <u>\$ 44,824,891</u>	 <u>\$ 1,568,599</u>	 3.50%

The increase in local sources of \$723,407 is the net result of a \$722,016 increase in the overall property tax levy, an increase of \$1,946 in interest income on capital reserve funds, and a \$555 decrease in miscellaneous revenues.

The increase in State sources of \$851,328 is mainly the result of the increase in on-behalf budgetary TPAF pension revenue over the prior year.

The decrease in Federal sources of \$6,136 is the result of a decrease in grant funds realized.

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

<u>Expenditures</u>	<u>Amount</u>		Increase/(Decrease) <u>2017 vs. 2018</u>	
	<u>2018</u>	<u>2017</u>	<u>Amount</u>	<u>Percent</u>
Current Expense:				
Instruction	\$ 25,235,127	\$ 25,138,584	\$ 96,543	0.38%
Support Services	16,967,533	16,242,054	725,479	4.47%
Capital Outlay	1,355,225	1,579,857	(224,632)	-14.22%
Debt Service:				
Principal	1,368,549	1,415,344	(46,795)	-3.31%
Interest and Other Charges	<u>772,013</u>	<u>811,188</u>	<u>(39,175)</u>	-4.83%
 Total	 <u>\$ 45,698,447</u>	 <u>\$ 45,187,027</u>	 <u>\$ 511,420</u>	 1.13%

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The School District's Funds (Continued)

The increase in support services expenditures of \$725,479 is primarily the result of contractual increases.

The decrease in capital outlay of \$224,632 is the result of the District expending less in fiscal year 2018 on capital additions.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant 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.

The following schedule represents a comparison of the original and final modified budget amounts.

<u>Expenditures</u>	<u>Original Budget</u>	<u>Final Modified Budget</u>	<u>Increase/(Decrease) Over Original Budget</u>	
			<u>Amount</u>	<u>Percent</u>
Current				
Instruction	\$ 16,675,466	\$ 16,504,140	\$ (171,326)	-1.03%
Undistributed	21,949,513	22,660,047	710,534	3.24%
Capital Outlay	<u>1,582,286</u>	<u>1,722,386</u>	<u>140,100</u>	8.85%
Total	<u>\$ 40,207,265</u>	<u>\$ 40,886,573</u>	<u>\$ 679,308</u>	1.69%

The increase in the final modified budget of \$679,308 is attributable to the appropriation of additional current and prior year state aid and the reappropriation of prior year encumbrances.

The following schedule represents a comparison of the final modified budget and actual budget results:

<u>Expenditures</u>	<u>Final Modified Budget</u>	<u>Actual Budget Results</u>	<u>Increase/(Decrease) Over Final Modified Budget</u>	
			<u>Amount</u>	<u>Percent</u>
Current				
Instruction	\$ 16,504,140	\$ 15,939,750	\$ (564,390)	-3.42%
Undistributed	22,660,047	25,820,813	3,160,766	13.95%
Capital Outlay	<u>1,722,386</u>	<u>1,438,332</u>	<u>(284,054)</u>	-16.49%
Total	<u>\$ 40,886,573</u>	<u>\$ 43,198,895</u>	<u>\$ 2,312,322</u>	5.66%

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

General Fund Budgeting Highlights (Continued)

The total actual budget results of \$43,198,895 is greater than the total final modified budget of \$40,886,573 by \$2,312,322 and is primarily attributable to the following:

Increases to the actual budget results –

- The On Behalf TPAF Benefits is a statutory, non-budgeted line item resulting in an increase to the actual budget results of \$5,495,819.

Decreases to the actual budget results –

- A decrease in the total amount spent on salaries of \$780,894 mainly due to a savings of \$619,903 in teacher and administrative salaries, primarily the result of the retirements and changes in staff, \$138,520 from the elimination of a position and \$22,471 from reduced maintenance overtime.
- A decrease in the total amount spent on classroom supplies and textbooks of \$122,758, primarily the result of savings obtained through consortium purchase agreements and reduced textbook needs.
- A decrease in the total amount spent on the improvement of instructional services of \$42,426, primarily the result of a reduction in outside training consultants.
- A decrease in the total amount spent on special education costs of \$347,400, primarily the result of a \$214,719 reduction in out-of-district tuition costs due to an increase in the number of special needs students kept in district; and a decrease of \$98,145 in needed purchased professional education services.
- A decrease in the total amount spent on operation and maintenance of plant services costs of \$668,770, primarily the result of a reduction in purchased repair and maintenance services of \$263,594, due to the utilization of in-house maintenance staff performing routine and complex repairs; a reduction in supply costs of \$107,275, primarily the result of savings obtained through consortium purchase agreements; and energy savings of \$225,190 as a result of favorable energy prices and a warmer winter than anticipated.
- A decrease in the total amount spent on student transportation services of \$101,945 due to a reduction in out-of-district bussing for special needs students.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
General Fund Budgeting Highlights (Continued)

- A decrease in the total amount spent on employee benefits of \$577,286 primarily the result of a \$415,387 savings in health, prescription, and dental coverages, due to a lower than anticipated increase in premium rates; and a \$76,137 reduced contributions to the Public Employees Retirement System and Social Security as a result of reduced salaries.
- A decrease in the total amount spent on general administration costs of \$142,803 due to a decrease of \$25,566 in legal expense, and a reduction in professional service fees and communication costs of \$47,014 and \$10,042 respectively.
- A decrease in the total amount spent on Capital Outlay of \$284,054, primarily the result of lower than anticipated construction costs of \$233,822.
- Overall expenditure savings of \$115,161 primarily the result of prudent spending.

The following schedule represents a comparison of the original budget and actual budget results:

<u>Expenditures</u>	<u>Original Budget</u>	<u>Actual Budget Results</u>	<u>Increase/(Decrease) Over Original Budget</u>	
			<u>Amount</u>	<u>Percent</u>
Current				
Instruction	\$ 16,675,466	\$ 15,939,750	\$ (735,716)	-4.41%
Undistributed	21,949,513	25,820,813	3,871,300	17.64%
Capital Outlay	<u>1,582,286</u>	<u>1,438,332</u>	<u>(143,954)</u>	-9.10%
Total	<u>\$ 40,207,265</u>	<u>\$ 43,198,895</u>	<u>\$ 2,991,630</u>	7.44%

The increase of \$2,991,630 between the actual budget results and the original budget is derived from the combination of \$679,308 as identified in the above analysis comparing the original budget to the final modified budget and \$2,312,322 identified in the schedule comparing the final modified budget to actual budget results.

Capital Assets

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2018 is \$39,368,708 net of accumulated depreciation. The decrease in capital assets of \$504,349 net of accumulated depreciation, from the period ending June 30, 2017, was the result of depreciation expense being greater than current year capital assets additions. The capital assets consist of land, construction in progress, buildings and building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2017-18 amounted to \$1,850,134 for governmental activities and \$18,703 for business-type activities. Additional information on capital assets may be found in Note 4D to the financial statements.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Capital Assets (Continued)

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 323,568	\$ 323,568			\$ 323,568	\$ 323,568
Construction in Progress	151,557	962,374			151,557	962,374
Buildings and Building Improvements	57,149,163	55,332,907	229,249	229,249	57,378,412	55,562,156
Machinery and Equipment	<u>3,416,115</u>	<u>3,186,230</u>	<u>121,265</u>	<u>121,178</u>	<u>3,537,380</u>	<u>3,307,408</u>
Subtotal	61,040,403	59,805,079	350,514	350,427	61,390,917	60,155,506
Less: Accumulated Depreciation	<u>(21,907,573)</u>	<u>(20,185,389)</u>	<u>(114,636)</u>	<u>(97,060)</u>	<u>(22,022,209)</u>	<u>(20,282,449)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 39,132,830</u>	<u>\$ 39,619,690</u>	<u>\$ 235,878</u>	<u>\$ 253,367</u>	<u>\$ 39,368,708</u>	<u>\$ 39,873,057</u>

Long-Term Liabilities

At June 30, 2018 the District had \$30,954,184 of long-term liabilities comprised of capital leases payable, compensated absences, net pension liability and bonds payable for school construction in the amounts of \$90,098, \$902,674, \$9,396,412 and \$20,565,000, respectively. At June 30, 2017 the District had \$35,963,645 of long-term liabilities comprised of capital lease payable, compensated absences, net pension liability and bonds payable for school construction in the amounts of \$268,647, \$1,099,878, \$12,840,120 and \$21,755,000, respectively.

Additional information on long-term liabilities may be found in Note 4G of the financial statements.

For the Future

The Wyckoff School District is in excellent financial condition presently. The District is grateful for the community support of the public schools. A major concern of the District is its increasing reliance on property taxes.

In conclusion, the Wyckoff School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Patricia A. Salvati, Business Administrator/Board Secretary at Wyckoff Township Public Schools, 241 Morse Avenue, Wyckoff, NJ 07481.

FINANCIAL STATEMENTS

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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	\$ 6,537,627	\$ 362,512	\$ 6,900,139
Receivables, net			
Receivables from Other Governments	96,650		96,650
Other	14,147	1,168	15,315
Prepaid Items	115,964	60	116,024
Inventory		4,899	4,899
Capital Assets, net			
Not Being Depreciated	475,125		475,125
Being Depreciated	<u>38,657,705</u>	<u>235,878</u>	<u>38,893,583</u>
Total Assets	<u>45,897,218</u>	<u>604,517</u>	<u>46,501,735</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	1,435,751		1,435,751
Deferred Amount on Net Pension Liability	<u>2,985,976</u>	<u>-</u>	<u>2,985,976</u>
Total Deferred Outflows of Resources	<u>4,421,727</u>	<u>-</u>	<u>4,421,727</u>
LIABILITIES			
Accounts Payable	245,322	9,477	254,799
Payable to State Government	29,052		29,052
Accrued Interest Payable	169,161		169,161
Unearned Revenue	91,403	84,859	176,262
Noncurrent Liabilities			
Due Within One Year	1,425,365		1,425,365
Due Beyond One Year	<u>30,236,236</u>	<u>-</u>	<u>30,236,236</u>
Total Liabilities	<u>32,196,539</u>	<u>94,336</u>	<u>32,290,875</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>2,418,737</u>	<u>-</u>	<u>2,418,737</u>
Total Deferred Inflows of Resources	<u>2,418,737</u>	<u>-</u>	<u>2,418,737</u>
NET POSITION			
Net Investment in Capital Assets	19,296,164	235,878	19,532,042
Restricted for:			
Capital Projects	3,381,289		3,381,289
Maintenance	100,000		100,000
Unrestricted	<u>(7,073,784)</u>	<u>274,303</u>	<u>(6,799,481)</u>
Total Net Position	<u>\$ 15,703,669</u>	<u>\$ 510,181</u>	<u>\$ 16,213,850</u>

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

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 23,714,838		\$ 7,746,551		\$ (15,968,287)		\$ (15,968,287)
Special Education	7,160,868	\$ 54,192	3,182,536		(3,924,140)		(3,924,140)
Other Instruction	973,966		345,092		(628,874)		(628,874)
School Sponsored Activities and Athletics	170,978		58,243		(112,735)		(112,735)
Support Services							
Student and Instruction Related Services	10,087,030		3,224,330		(6,862,700)		(6,862,700)
General Administration Services	1,365,650		162,509		(1,203,141)		(1,203,141)
School Administration Services	3,323,479		855,884		(2,467,595)		(2,467,595)
Business / Central Services	942,039		190,763		(751,276)		(751,276)
Plant Operations and Maintenance	4,147,435		104,422		(4,043,013)		(4,043,013)
Pupil Transportation	705,836	27,457	82,352		(596,027)		(596,027)
Debt Service Interest and Other Charges	834,903	-	-	-	(834,903)	-	(834,903)
Total Governmental Activities	<u>53,427,022</u>	<u>81,649</u>	<u>15,952,682</u>	<u>-</u>	<u>(37,392,691)</u>	<u>-</u>	<u>(37,392,691)</u>
Business-Type Activities							
Food Service	444,864	493,470				\$ 48,606	48,606
Summer Enrichment Program	38,928	40,332				1,404	1,404
Social Club	22,818	26,203				3,385	3,385
Chromebook Program	-	17,303				17,303	17,303
Pay to Participate	45,029	13,600	-	-	-	(31,429)	(31,429)
Total Business-Type Activities	<u>551,639</u>	<u>590,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,269</u>	<u>39,269</u>
Total Primary Government	<u>\$ 53,978,661</u>	<u>\$ 672,557</u>	<u>\$ 15,952,682</u>	<u>\$ -</u>	<u>(37,392,691)</u>	<u>39,269</u>	<u>(37,353,422)</u>
General Revenues:							
Property Taxes levied for General Purposes					36,853,242		36,853,242
Property Taxes levied for Debt Service					1,631,894		1,631,894
State Aid - Unrestricted					61,870		61,870
Investment Earnings					7,428	583	8,011
Miscellaneous Income					127,093		127,093
Transfers					(68,112)	68,112	-
Total General Revenues and Transfers					<u>38,613,415</u>	<u>68,695</u>	<u>38,682,110</u>
Change in Net Position					1,220,724	107,964	1,328,688
Net Position, Beginning of year					<u>14,482,945</u>	<u>402,217</u>	<u>14,885,162</u>
Net Position, End of year					<u>\$ 15,703,669</u>	<u>\$ 510,181</u>	<u>\$ 16,213,850</u>

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

FUND FINANCIAL STATEMENTS

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2018

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS				
Assets				
Cash and Cash Equivalents	\$ 6,493,057	\$ 44,570		\$ 6,537,627
Receivables				
Intergovernmental	22,268	74,382		96,650
Other	14,147	-		14,147
Prepaid Items	115,964	-	-	115,964
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 6,645,436	\$ 118,952	\$ -	\$ 6,764,388
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 240,125	\$ 5,197		\$ 245,322
Intergovernmental Payable - State		29,052		29,052
Unearned Revenue	6,700	84,703	-	91,403
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	246,825	118,952	-	365,777
Fund Balances				
Restricted				
Excess Surplus - Designated for Subsequent Year's Expenditures	950,000			950,000
Excess Surplus	950,000			950,000
Capital Reserve	1,956,289			1,956,289
Capital Reserve - Designated for Subsequent Year's Expenditures	1,425,000			1,425,000
Maintenance Reserve	100,000			100,000
Assigned				
Year End Encumbrances	311,233			311,233
Unassigned				
General Fund	706,089	-	-	706,089
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	6,398,611	-	-	6,398,611
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 6,645,436	\$ 118,952	\$ -	\$ 6,764,388

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

Total Fund Balances - Governmental Funds \$ 6,398,611

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,040,403 and the accumulated depreciation is \$21,907,573. 39,132,830

The District has financed capital assets through the issuance of bonds. The interest accrual at year end is: (169,161)

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

Deferred Outflows of Resources	\$ 2,985,976	
Deferred Inflows of Resources	<u>(2,418,737)</u>	567,239

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. 1,435,751

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year end consist of the following:

Bonds Payable, Including Unamortized Premium	\$ (21,272,417)	
Net Pension Liability	(9,396,412)	
Capital Leases Payable	(90,098)	
Compensated Absences	<u>(902,674)</u>	(31,661,601)

Net position of governmental activities \$ 15,703,669

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 36,853,242		\$ 1,631,894	\$ 38,485,136
Interest on Capital Reserve	7,428			7,428
Miscellaneous	<u>208,742</u>	<u>\$ 44,644</u>	<u>-</u>	<u>253,386</u>
Total - Local Sources	37,069,412	44,644	1,631,894	38,745,950
State Sources	6,756,414	328,677		7,085,091
Federal Sources	<u>-</u>	<u>562,449</u>	<u>-</u>	<u>562,449</u>
Total Revenues	<u>43,825,826</u>	<u>935,770</u>	<u>1,631,894</u>	<u>46,393,490</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	18,188,619	82,585		18,271,204
Special Education Instruction	5,649,625	403,069		6,052,694
Other Instruction	774,000			774,000
School-Sponsored Activities and Athletics	137,229			137,229
Support Services				
Student and Instruction Related Services	7,876,245	450,116		8,326,361
General Administration Services	1,115,323			1,115,323
School Administration Services	2,704,212			2,704,212
Business / Central Services	786,011			786,011
Plant Operations and Maintenance	3,333,117			3,333,117
Pupil Transportation	702,509			702,509
Debt Service:				
Principal	398,549		970,000	1,368,549
Interest and Other Charges	110,119		661,894	772,013
Capital Outlay	<u>1,355,225</u>	<u>-</u>	<u>-</u>	<u>1,355,225</u>
Total Expenditures	<u>43,130,783</u>	<u>935,770</u>	<u>1,631,894</u>	<u>45,698,447</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>695,043</u>	<u>-</u>	<u>-</u>	<u>695,043</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(68,112)</u>	<u>-</u>	<u>-</u>	<u>(68,112)</u>
Total Other Financing Sources and Uses	<u>(68,112)</u>	<u>-</u>	<u>-</u>	<u>(68,112)</u>
Net Change in Fund Balances	626,931	-	-	626,931
Fund Balance, Beginning of Year	<u>5,771,680</u>	<u>-</u>	<u>-</u>	<u>5,771,680</u>
Fund Balance, End of Year	<u>\$ 6,398,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,398,611</u>

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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 626,931

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

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital asset additions in the period.

	\$ (1,850,134)	
Depreciation Expense	1,355,225	
Capital Outlays	(494,909)	

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals and donations) is to increase net position. These transactions are not reported in the governmental funds financial statements.

Donated Capital Assets		8,049
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. (Note 2)		1,368,549
---	--	-----------

Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (Note 2)		(287,896)
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Change in net position of governmental activities (Exhibit A-2)		\$ 1,220,724
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**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

	Business-Type Activities Enterprise Fund			Totals
	Food Service Fund	Summer Enrichment Fund	Other Non Major Enterprise Fund	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 191,708	\$ 74,208	\$ 96,596	\$ 362,512
Other Account Receivable	274		894	1,168
Prepaid Expenses		60		60
Inventory	4,899	-	-	4,899
Total Current Assets	<u>196,881</u>	<u>74,268</u>	<u>97,490</u>	<u>368,639</u>
Capital Assets				
Building Improvements	229,249			229,249
Equipment	121,265			121,265
Less: Accumulated Depreciation	<u>(114,636)</u>	<u>-</u>	<u>-</u>	<u>(114,636)</u>
Total Capital Assets, Net	<u>235,878</u>	<u>-</u>	<u>-</u>	<u>235,878</u>
Total Assets	<u>432,759</u>	<u>74,268</u>	<u>97,490</u>	<u>604,517</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	4,222		5,255	9,477
Unearned Revenue	<u>9,548</u>	<u>72,861</u>	<u>2,450</u>	<u>84,859</u>
Total Current Liabilities	<u>13,770</u>	<u>72,861</u>	<u>7,705</u>	<u>94,336</u>
NET POSITION				
Investment in Capital Assets	235,878			235,878
Unrestricted	<u>183,111</u>	<u>1,407</u>	<u>89,785</u>	<u>274,303</u>
Total Net Position	<u>\$ 418,989</u>	<u>\$ 1,407</u>	<u>\$ 89,785</u>	<u>\$ 510,181</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund			<u>Totals</u>
	<u>Food Service Fund</u>	<u>Summer Enrichment Fund</u>	<u>Other Non Major Enterprise Funds</u>	
OPERATING REVENUES				
Charges for Services				
Daily Sales	\$ 492,402			\$ 492,402
Other	1,068			1,068
Program Fees	-	\$ 40,332	\$ 57,106	97,438
	<u>493,470</u>	<u>40,332</u>	<u>57,106</u>	<u>590,908</u>
OPERATING EXPENSES				
Cost of Sales	189,666			189,666
Salaries and Employee Benefits	169,830	35,085	45,650	250,565
Supplies and Materials	12,607	1,943	6,753	21,303
Management Fee	35,205			35,205
Purchased Professional Services	11,841	1,900	15,444	29,185
Miscellaneous	6,092		-	6,092
Depreciation	18,703	-	-	18,703
	<u>443,944</u>	<u>38,928</u>	<u>67,847</u>	<u>550,719</u>
Total Operating Expenses				
Operating Income/(Loss)	<u>49,526</u>	<u>1,404</u>	<u>(10,741)</u>	<u>40,189</u>
NONOPERATING REVENUES/EXPENSES				
Interest on Deposits	583			583
Loss on Disposal of Property	(920)	-	-	(920)
	<u>(337)</u>	<u>-</u>	<u>-</u>	<u>(337)</u>
Total Nonoperating Revenues(Expenses)				
Net Income/ (Loss) Before Operating Transfers	<u>49,189</u>	<u>1,404</u>	<u>(10,741)</u>	<u>39,852</u>
Operating Transfers				
Transfers In	-	-	68,112	68,112
Change in Net Position	49,189	1,404	57,371	107,964
Total Net Position, Beginning of Year	<u>369,800</u>	<u>3</u>	<u>32,414</u>	<u>402,217</u>
Total Net Position, End of Year	<u>\$ 418,989</u>	<u>\$ 1,407</u>	<u>\$ 89,785</u>	<u>\$ 510,181</u>

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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund			Totals
	Food Service Fund	Summer Enrichment Fund	Other Non Major Enterprise Fund	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 493,196	\$ 87,726	\$ 55,324	\$ 636,246
Cash Payments for Employees' Salaries and Benefits	(169,830)	(35,085)	(40,395)	(245,310)
Cash Payments to Suppliers for Goods and Services	(257,297)	(2,743)	(22,197)	(282,237)
Net Cash Provided (Used) by Operating Activities	66,069	49,898	(7,268)	108,699
Cash Flows from Noncapital Financing Activities				
Cash Received from Other Funds	-	-	68,112	68,112
Net Cash Provided by Noncapital Financing Activities	-	-	68,112	68,112
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(2,134)	-	-	(2,134)
Net Cash Used by Capital and Related Financing Activities	(2,134)	-	-	(2,134)
Cash Flows from Investing Activities				
Interest on Deposits	583	-	-	583
Net Cash Provided by Investing Activities	583	-	-	583
Net Increase in Cash and Cash Equivalents	64,518	49,898	60,844	175,260
Cash and Cash Equivalents, Beginning of Year	127,190	24,310	35,752	187,252
Cash and Cash Equivalents, End of Year	\$ 191,708	\$ 74,208	\$ 96,596	\$ 362,512
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 49,526	\$ 1,404	\$ (10,741)	\$ 40,189
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities				
Depreciation	18,703			18,703
Change in Assets and Liabilities				
Increase/(Decrease) in Accounts Payable	(3,686)	(215)	5,255	1,354
Increase/(Decrease) in Unearned Revenue	2,895	47,394	(888)	49,401
(Increase)/Decrease in Other Accounts Receivable	(274)		(894)	(1,168)
(Increase)/Decrease in Prepaid Expense		1,315		1,315
(Increase)/Decrease in Inventory	(1,095)	-	-	(1,095)
Total Adjustments	16,543	48,494	3,473	68,510
Net Cash Provided (Used) by Operating Activities	\$ 66,069	\$ 49,898	\$ (7,268)	\$ 108,699

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2018**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 874,119	\$ 3,272	\$ 52,324
Total Assets	<u>\$ 874,119</u>	<u>\$ 3,272</u>	<u>\$ 52,324</u>
LIABILITIES			
Payable to Student Groups			\$ 32,431
Accrued Salaries and Wages			30
Payroll Deductions and Withholdings	<u>-</u>	<u>-</u>	<u>19,863</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 52,324</u>
NET POSITION			
Reserved For Scholarships		<u>\$ 3,272</u>	
Held in Trust for Unemployment Claims	<u>\$ 874,119</u>		

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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
ADDITIONS		
Contributions		
Employees	\$ 47,250	
	<hr/>	<hr/>
Total Contributions	47,250	-
	<hr/>	<hr/>
Investment Earnings		
Interest	4,498	\$ 18
	<hr/>	<hr/>
Net Investment Earnings	4,498	18
	<hr/>	<hr/>
Total Additions	51,748	18
	<hr/>	<hr/>
DEDUCTIONS		
Scholarships Awarded		125
Unemployment Claims and Contributions	18,157	-
	<hr/>	<hr/>
Total Deductions	18,157	125
	<hr/>	<hr/>
Change in Net Position	33,591	(107)
	<hr/>	<hr/>
Net Position, Beginning of the Year	840,528	3,379
	<hr/>	<hr/>
Net Position, End of the Year	<u>\$ 874,119</u>	<u>\$ 3,272</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Wyckoff Township Public Schools (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 seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Wyckoff Township Public Schools this includes general operations, food service, summer enrichment program, chromebook program, pay to participate program, social club program 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 Issue*. 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 food service and summer enrichment 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 *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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

The *summer enrichment fund* accounts for the activities of the District's summer school program which provides education opportunities beyond the regular school term.

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

The *social club fund* accounts for the activities of special needs students which provides for the learning of interrelation skills.

The *pay to participate fund* accounts for the activities of the District's extra-curricular activities which provides sports programs.

The *chromebook program fund* accounts for the activities of student purchased insurance on district issued computers.

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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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

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

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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)

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 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.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. 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>
Buildings and Building Improvements	10-40
Machinery and Equipment	5-25

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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. 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.

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated 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.

8. 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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. *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. 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.

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year’s Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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)

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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).

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.

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

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

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.

11. *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 government 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 government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government 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 government 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 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, the summer enrichment enterprise fund, social club enterprise fund, chromebook enterprise fund and pay to participate 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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 statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,368,549 difference are as follows:

Principal repayments:	
Bonds Payable	\$ 1,190,000
Capital Lease Payable	<u>178,549</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,368,549</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds”. The details of this \$(287,896) difference are as follows:

Compensated absences	\$ 197,204
Accrued interest	10,954
Amortization of deferred charge on refunding	(222,731)
Amortization of bond premiums	148,887
Net Pension Expense	<u>(422,210)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$(287,896)</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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. 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. On February 13, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$908,526. The increase was funded by additional grant awards and state aid and the reappropriation of prior year general fund encumbrances.

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

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

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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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		\$ 2,832,343
Increased by:		
Interest earnings	\$ 7,428	
Deposits Approved by Board Resolution	<u>1,998,518</u>	
		<u>2,005,946</u>
		4,838,289
Withdrawals:		
Approved in District Budget		<u>1,457,000</u>
Balance, June 30, 2018		<u>\$ 3,381,289</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. \$1,425,000 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

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>100,000</u>
Balance, June 30, 2018	<u>\$ 100,000</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,150,503.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2018 is \$1,900,000. Of this amount, \$950,000 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$950,000 will be appropriated in the 2019/2020 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), 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 \$7,829,854 and bank and brokerage firm balances of the Board’s deposits amounted to \$8,474,220. 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>8,474,220</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 the Board’s bank balances were exposed to custodial credit risk.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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

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.

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 and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Non-major Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 69,217			\$ 69,217
State	\$ 22,268	5,165			27,433
Other	14,147	-	\$ 274	\$ 894	15,315
Gross Receivables	36,415	74,382	274	894	111,965
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 36,415</u>	<u>\$ 74,382</u>	<u>\$ 274</u>	<u>\$ 894</u>	<u>\$ 111,965</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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:

	<u>Total</u>
General Fund	
Tuition and Subscription Busing Deposits	\$ 6,700
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>84,703</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 91,403</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>Adjustments</u>	Balance, <u>June 30, 2018</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 323,568				\$ 323,568
Construction in progress	<u>962,374</u>	<u>\$ 1,005,439</u>	<u>-</u>	<u>\$ (1,816,256)</u>	<u>151,557</u>
Total capital assets, not being depreciated	<u>1,285,942</u>	<u>1,005,439</u>	<u>-</u>	<u>(1,816,256)</u>	<u>475,125</u>
Capital assets, being depreciated:					
Buildings and Building Improvements	55,332,907			1,816,256	57,149,163
Machinery and equipment	<u>3,186,230</u>	<u>357,835</u>	<u>\$ (127,950)</u>	<u>-</u>	<u>3,416,115</u>
Total capital assets being depreciated	<u>58,519,137</u>	<u>357,835</u>	<u>(127,950)</u>	<u>1,816,256</u>	<u>60,565,278</u>
Less accumulated depreciation for:					
Buildings and Building Improvements	(18,061,500)	(1,596,245)			(19,657,745)
Machinery and equipment	<u>(2,123,889)</u>	<u>(253,889)</u>	<u>127,950</u>	<u>-</u>	<u>(2,249,828)</u>
Total accumulated depreciation	<u>(20,185,389)</u>	<u>(1,850,134)</u>	<u>127,950</u>	<u>-</u>	<u>(21,907,573)</u>
Total capital assets, being depreciated, net	<u>38,333,748</u>	<u>(1,492,299)</u>	<u>-</u>	<u>1,816,256</u>	<u>38,657,705</u>
Governmental activities capital assets, net	<u>\$ 39,619,690</u>	<u>\$ (486,860)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,132,830</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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:				
Building Improvements	\$ 229,249			\$ 229,249
Machinery and equipment	<u>121,178</u>	\$ 2,134	\$ (2,047)	<u>121,265</u>
Total capital assets being depreciated	<u>350,427</u>	<u>2,134</u>	<u>(2,047)</u>	<u>350,514</u>
Less accumulated depreciation for:				
Building Improvements	(31,747)	(8,448)		(40,195)
Machinery and equipment	<u>(65,313)</u>	<u>(10,255)</u>	1,127	<u>(74,441)</u>
Total accumulated depreciation	<u>(97,060)</u>	<u>(18,703)</u>	<u>1,127</u>	<u>(114,636)</u>
Total capital assets, being depreciated, net	<u>253,367</u>	<u>(16,569)</u>	<u>(920)</u>	<u>235,878</u>
Business-type activities capital assets, net	<u>\$ 253,367</u>	<u>\$ (16,569)</u>	<u>\$ (920)</u>	<u>\$ 235,878</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 979,254
Special Education	<u>29,544</u>
Total Instruction	<u>1,008,798</u>
Support Services	
Student and Instruction Related Services	95,307
General Administration Services	81,198
Plant Operations and Maintenance	664,481
Pupil Transportation	<u>350</u>
Total Support Services	<u>841,336</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,850,134</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 18,703</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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 that are funded in the 2018/19 budget as of June 30, 2018:

<u>Project</u>	<u>Prepaid Items</u>	<u>Remaining Commitment</u>
HVAC Upgrades at Lincoln School	\$ 104,184	\$ 593,916
Air Conditioning Project at Calvin Coolidge School	11,780	267,220
	<u>\$ 115,964</u>	<u>\$ 861,136</u>

E. Interfund Transfers

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

Interfund transfers

<u>Transfer Out:</u>	<u>Transfer In:</u>	
	Pay to Participate Fund	<u>Total</u>
General Fund	\$ 68,112	\$ 68,112
Total transfers out	<u>\$ 68,112</u>	<u>\$ 68,112</u>

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

F. Leases

Capital Leases

The District is leasing computers totaling \$270,400 under a capital lease. The lease is for a term of 3 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2019	<u>\$ 93,226</u>
Total minimum lease payments	93,226
Less: amount representing interest	(3,128)
Present value of minimum lease payments	<u>\$ 90,098</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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

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:

\$3,535,000, 2010 School Energy Savings Obligation Bonds, due in annual installments of \$235,000 to \$350,000 through March 15, 2025, interest at 4.00% to 5.00%	\$2,045,000
\$9,485,000, 2012 Refunding School Bonds, due in annual installments of \$940,000 to \$1,165,000 through April 1, 2025, interest at 3.00% to 4.00%	7,400,000
\$12,440,000, 2013 Refunding School Bonds, due in annual installments of \$70,000 to \$1,660,000 through April 1, 2032, interest at 2.00% to 4.00%	<u>11,120,000</u>
Total	<u>\$20,565,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 1,245,000	\$ 713,894	\$ 1,958,894
2020	1,305,000	663,144	1,968,144
2021	1,355,000	609,794	1,964,794
2022	1,430,000	554,207	1,984,207
2023	1,490,000	498,320	1,988,320
2024-2028	7,385,000	1,723,353	9,108,353
2029-2032	<u>6,355,000</u>	<u>483,600</u>	<u>6,838,600</u>
Total	<u>\$ 20,565,000</u>	<u>\$ 5,246,312</u>	<u>\$ 25,811,312</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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)

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:

3% of Equalized Valuation Basis (Municipal)	\$ 137,073,101
Less: Net Debt	<u>20,565,000</u>
Remaining Borrowing Power	<u>\$ 116,508,101</u>

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:

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2018</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 21,755,000		\$ 1,190,000	\$ 20,565,000	\$ 1,245,000
Unamortized Premium	<u>856,304</u>	<u>-</u>	<u>148,887</u>	<u>707,417</u>	<u>-</u>
	22,611,304	-	1,338,887	21,272,417	1,245,000
Capital Leases Payable	268,647		178,549	90,098	90,098
Net Pension Liability	12,840,120		3,443,708	9,396,412	
Compensated absences	<u>1,099,878</u>	<u>-</u>	<u>197,204</u>	<u>902,674</u>	<u>90,267</u>
Governmental activity Long-term liabilities	<u>\$ 36,819,949</u>	<u>\$ -</u>	<u>\$ 5,158,348</u>	<u>\$ 31,661,601</u>	<u>\$ 1,425,365</u>

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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018		\$ 47,250	\$ 18,157	\$ 874,119
2017	\$ 10,000	47,950	46,106	840,528
2016	9,579	47,062	45,394	825,511

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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 June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2018	\$ 373,942	\$ 2,572,977	\$ 4,402
2017	385,148	1,931,690	2,574
2016	324,980	1,398,179	6,881

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$5,712 and \$3,856, respectively for PERS and the State contributed \$3,901 and \$4,282, 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 \$1,257,110 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 \$9,396,412 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 0.04037 percent, which was a decrease of 0.00298 percent from its proportionate share measured as of June 30, 2016 of 0.04335 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$796,152 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>2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 221,253	
Changes of Assumptions	1,893,053	\$ 1,886,113
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	63,983	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>807,687</u>	<u>532,624</u>
Total	<u>\$ 2,985,976</u>	<u>\$ 2,418,737</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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	\$ 334,211
2020	334,211
2021	334,212
2022	(159,244)
2023	(276,151)
Thereafter	<u>-</u>
	<u>\$ 567,239</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:

	<u>PERS</u>
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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>\$ 11,656,887</u>	<u>\$ 9,396,412</u>	<u>\$ 7,513,156</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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 \$8,021,381 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 \$115,790,526. 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 0.17174 percent, which was a decrease of 0.00289 percent from its proportionate share measured as of June 30, 2016 of 0.17463 percent.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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.

	<u>TPAF</u>
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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%

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
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 <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 137,562,777</u>	<u>\$ 115,790,526</u>	<u>\$ 97,854,451</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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 \$1,661,831, \$1,609,537 and \$1,664,845, 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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 \$4,527,746. 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 \$68,816,624. 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 .12829 percent, which was an increase of .00034 percent from its proportionate share measured as of June 30, 2016 of .12795 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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>73,993,557</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 3,306,380
Interest on the Total OPEB Liability	2,174,371
Changes of Assumptions	(9,091,672)
Gross Benefit Payments	(1,625,881)
Contributions from the Member	<u>59,869</u>
Net Changes	\$ <u>(5,176,933)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>68,816,624</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 (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>81,690,298</u>	\$ <u>68,816,624</u>	\$ <u>58,605,104</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>56,595,021</u>	\$ <u>68,816,624</u>	\$ <u>85,046,769</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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Adjustments/ Transfers	Final Budget	Actual Revenue/ Appropriations	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 36,853,242		\$ 36,853,242	\$ 36,853,242	
Tuition from Individuals	14,700		14,700	54,192	\$ 39,492
Transportation Fees from Individuals	13,300		13,300	27,457	14,157
Interest on Capital Reserve Funds	500		500	7,428	6,928
Rentals and Royalties	1,000		1,000	19,060	18,060
Sale of Property	1,000		1,000	5,902	4,902
Miscellaneous	14,020		14,020	102,131	88,111
Total Local Sources	<u>36,897,762</u>	<u>-</u>	<u>36,897,762</u>	<u>37,069,412</u>	<u>171,650</u>
State Sources					
Categorical Special Education Aid	745,645	\$ 85,515	831,160	831,160	
Categorical Security Aid	37,516		37,516	37,516	
Categorical Transportation Aid	59,410		59,410	59,410	
PARCC Readiness Aid	21,080		21,080	21,080	
Per Pupil Growth Aid	21,080		21,080	21,080	
Professional Learning Community Aid	20,410		20,410	20,410	
Extraordinary Aid				296,809	296,809
Additional Nonpublic School Transportation Aid				22,268	22,268
TPAF Social Security Contributions (Non-Budgeted)				1,257,110	1,257,110
On Behalf TPAF Pension-Post Retirement Medical Contribution (Non-Budgeted)				1,661,831	1,661,831
On Behalf TPAF Pension - Normal (Non-Budgeted)				2,512,017	2,512,017
On Behalf TPAF Pension - NCGI (Non-Budgeted)				60,960	60,960
On Behalf TPAF Pension - Long Term Disability Insurance (Non-Budgeted)				3,901	3,901
Total State Sources	<u>905,141</u>	<u>85,515</u>	<u>990,656</u>	<u>6,805,552</u>	<u>5,814,896</u>
Total Revenues	<u>37,802,903</u>	<u>85,515</u>	<u>37,888,418</u>	<u>43,874,964</u>	<u>5,986,546</u>
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Preschool		18,691	18,691	18,691	-
Kindergarten	811,055	11,370	822,425	806,624	15,801
Grades 1-5	6,701,401	(132,968)	6,568,433	6,301,123	267,310
Grades 6-8	4,346,800	(65,872)	4,280,928	4,202,253	78,675
Regular Programs-Home Instruction					
Salaries of Teachers	18,590	-	18,590	11,791	6,799
Purchased Prof. - Educational Services	3,100	5,500	8,600	6,201	2,399
Other Purchased Services	210	-	210		210
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	201,399	-	201,399	180,154	21,245
Purchased Prof. - Educational Services	4,300	350	4,650	2,540	2,110
Purchased Technical Services	3,650	-	3,650	1,928	1,722
Other Purchased Services	217,280	-	217,280	202,354	14,926
General Supplies	740,916	8,929	749,845	670,449	79,396
Textbooks	50,000	-	50,000	41,179	8,821
Other Objects	2,550	-	2,550	1,121	1,429
Total Regular Programs	<u>13,101,251</u>	<u>(154,000)</u>	<u>12,947,251</u>	<u>12,446,408</u>	<u>500,843</u>
Special Education					
Learning/Language Disabilities					
Salaries of Teachers	312,874	54,928	367,802	365,700	2,102
Other Salaries for Instruction	330,360	12,985	343,345	341,117	2,228
Other Purchased Services	850	-	850	600	250
General Supplies	8,250	-	8,250	5,527	2,723
Total Learning/Language Disabilities	<u>652,334</u>	<u>67,913</u>	<u>720,247</u>	<u>712,944</u>	<u>7,303</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments/ Transfers	Final Budget	Actual Revenue/ Appropriations	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 2,004,269	\$ (16,007)	\$ 1,988,262	\$ 1,970,427	\$ 17,835
Other Purchased Services	5,800	105	5,905	1,089	4,816
General Supplies	22,920	(2,500)	20,420	14,876	5,544
Total Resource Room/Resource Center	2,032,989	(18,402)	2,014,587	1,986,392	28,195
Preschool Disabilities - Full-Time					
Salaries of Teachers	167,664	(109,580)	58,084	55,969	2,115
Other Salaries for Instruction	72,715	-	72,715	62,515	10,200
Other Purchased Services	800	-	800	-	800
General Supplies	5,850	(1,462)	4,388	3,074	1,314
Total Preschool Disabilities - Full-Time	247,029	(111,042)	135,987	121,558	14,429
Total Special Education	2,932,352	(61,531)	2,870,821	2,820,894	49,927
Basic Skills/Remedial					
Salaries of Teachers	452,685	1,009	453,694	447,689	6,005
General Supplies	3,000	(2,500)	500	-	500
Total Basic Skills/Remedial	455,685	(1,491)	454,194	447,689	6,505
Bilingual Education					
Salaries of Teachers	62,558	395	62,953	62,953	-
Other Purchased Services	-	409	409	409	-
General Supplies	1,500	-	1,500	373	1,127
Other Objects	1,000	(409)	591	-	591
Total Bilingual Education	65,058	395	65,453	63,735	1,718
School Sponsored Cocurricular Activities					
Salaries	86,664	3,301	89,965	86,184	3,781
Purchased Services	1,000	-	1,000	815	185
Supplies and Materials	7,344	-	7,344	5,913	1,431
Total School Sponsored Cocurricular Activities	95,008	3,301	98,309	92,912	5,397
Total Instruction	16,649,354	(213,326)	16,436,028	15,871,638	564,390
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Regular	24,412	1,316	25,728	9,720	16,008
Tuition to Other LEA's Within the State-Special	527,087	147,907	674,994	603,118	71,876
Tuition to CSSD and Regional Day Schools	357,706	-	357,706	281,430	76,276
Tuition to Priv. Sch. for the Disabled-Within State	499,102	45,892	544,994	494,435	50,559
Total Undistributed Expenditures- Instruction	1,408,307	195,115	1,603,422	1,388,703	214,719
Attendance and Social Work					
Salaries	63,431	(37,857)	25,574	25,420	154
Total Attendance and Social Work	63,431	(37,857)	25,574	25,420	154

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments/ Transfers	Final Budget	Actual Revenue/ Appropriations	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 481,568	\$ 7,997	\$ 489,565	\$ 471,137	\$ 18,428
Purchased Professional and Technical Services	17,850	12,500	30,350	23,448	6,902
Other Purchased Services	1,800	-	1,800	811	989
Supplies and Materials	15,504	1,500	17,004	13,250	3,754
Other Objects	300	-	300	173	127
Total Health Services	517,022	21,997	539,019	508,819	30,200
Speech, OT, PT & Related Services					
Salaries	636,344	(26,500)	609,844	574,128	35,716
Purchased Professional-Educational Services	78,487	82,300	160,787	122,896	37,891
Supplies and Materials	8,773	(500)	8,273	6,735	1,538
Other Objects	3,090	-	3,090	1,476	1,614
Total Speech, OT, PT & Related Services	726,694	55,300	781,994	705,235	76,759
Other Support Services-Students-Extra. Services					
Salaries	817,301	15,799	833,100	826,367	6,733
Purchased Professional-Educational Services	355,689	(58,656)	297,033	242,645	54,388
Supplies and Materials	4,000	4,925	8,925	7,235	1,690
Other Objects	965	1,279	2,244	-	2,244
Total Other Support Services-Students-Extra Serv	1,177,955	(36,653)	1,141,302	1,076,247	65,055
Guidance					
Salaries of Other Professional Staff	668,425	(27,039)	641,386	570,754	70,632
Salaries of Secretarial and Clerical Assistants	75,964	1,186	77,150	76,723	427
Other Salaries	21,236	-	21,236	13,146	8,090
Purchased Professional-Educational Services	25,500	40,190	65,690	55,407	10,283
Other Purchased Services	1,225	-	1,225	-	1,225
Supplies and Materials	8,700	(4,190)	4,510	2,196	2,314
Other Objects	1,500	-	1,500	129	1,371
Total Guidance	802,550	10,147	812,697	718,355	94,342
Child Study Teams					
Salaries of Other Professional Staff	568,942	60,604	629,546	578,774	50,772
Salaries of Secretarial and Clerical Assistants	87,462	445	87,907	85,249	2,658
Other Salaries	29,464	-	29,464	14,588	14,876
Purchased Professional-Educational Services	32,450	49,538	81,988	80,561	1,427
Other Purchased Professional and Technical Services	32,500	47	32,547	32,525	22
Miscellaneous Purchased Services	16,110	(105)	16,005	11,514	4,491
Supplies and Materials	10,405	1,000	11,405	10,987	418
Other Objects	3,895	(20)	3,875	2,947	928
Total Child Study Teams	781,228	111,509	892,737	817,145	75,592
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	95,719	16,869	112,588	106,607	5,981
Salaries of Secretarial and Clerical Assistants	68,091	7,651	75,742	75,742	-
Other Salaries	17,145	(6,094)	11,051	10,519	532
Purchased Professional-Educational Services	97,500	-	97,500	80,967	16,533
Other Purchased Services	11,500	1,000	12,500	10,786	1,714
Supplies and Materials	20,000	(700)	19,300	17,087	2,213
Other Objects	6,000	700	6,700	6,693	7
Total Improvement of Instructional Services	315,955	19,426	335,381	308,401	26,980

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual Revenue/ Appropriations</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 420,509	\$ 6,310	\$ 426,819	\$ 403,409	\$ 23,410
Salary of Technology Coordinators	446,512	6,055	452,567	449,300	3,267
Purchased Professional and Technical Services	389,417	17,017	406,434	383,720	22,714
Other Purchased Services	160,142	(7,131)	153,011	146,364	6,647
Supplies and Materials	77,935	(3,164)	74,771	43,308	31,463
Other Objects	252	-	252	-	252
Total Educational Media Services/School Library	1,494,767	19,087	1,513,854	1,426,101	87,753
Instructional Staff Training Services					
Salaries of Other Professional Staff	65,763	(1,286)	64,477	47,212	17,265
Other Purchased Services	35,000	2,800	37,800	13,628	24,172
Total Instructional Staff Training Services	100,763	1,514	102,277	60,840	41,437
Support Services-General Administration					
Salaries	450,783	80,067	530,850	530,849	1
Legal Services	100,500	(262)	100,238	74,672	25,566
Audit Fees	33,800	26,200	60,000	30,075	29,925
Architectural/Engineering Services	10,000	7,089	17,089	-	17,089
Other Purchased Professional Services	12,650	3,424	16,074	13,270	2,804
Purchased Technical Services	2,000	1,250	3,250	-	3,250
Communications/Telephone	48,260	(2,000)	46,260	39,468	6,792
BOE Other Purchased Services	3,050	-	3,050	549	2,501
Misc. Purchased Services	79,320	(3,000)	76,320	53,452	22,868
General Supplies	5,380	-	5,380	3,024	2,356
BOE In House Training/Meeting Supplies	500	-	500	216	284
Miscellaneous Expenditures	10,050	2,095	12,145	11,900	245
BOE Membership Dues and Fees	17,940	-	17,940	15,502	2,438
Total Support Services- General Administration	774,233	114,863	889,096	772,977	116,119
Support Services- School Administration					
Salaries of Principals/Assistant Principals	1,145,103	10,521	1,155,624	1,155,623	1
Salaries of Secretarial and Clerical Assistants	588,563	14,140	602,703	588,549	14,154
Purchased Professional and Technical Services	6,950	375	7,325	5,697	1,628
Other Purchased Services	20,270	(2,588)	17,682	10,810	6,872
Supplies and Materials	38,856	(1,117)	37,739	32,169	5,570
Other Objects	8,210	-	8,210	7,289	921
Total Support Services- School Administration	1,807,952	21,331	1,829,283	1,800,137	29,146
Central Services					
Salaries	460,454	(1,980)	458,474	458,474	-
Purchased Professional Services	-	-	-	-	-
Purchased Technical Services	10,800	30	10,830	10,830	-
Misc. Purchased Services	26,090	9,580	35,670	27,851	7,819
Supplies and Materials	9,180	16,200	25,380	9,331	16,049
Other Objects	9,156	2,891	12,047	9,233	2,814
Total Central Services	515,680	26,721	542,401	515,719	26,682

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments/ Transfers	Final Budget	Actual Revenue/ Appropriations	Variance Final Budget to Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Tech.					
Salaries	\$ 46,023	\$ 17,497	\$ 63,520		\$ 63,520
Purchased Technical Services	29,307	6,800	36,107	\$ 32,701	3,406
Supplies and Materials	1,000	(400)	600		600
Total Admin. Info. Tech	76,330	23,897	100,227	32,701	67,526
Required Maintenance for School Facilities					
Salaries	381,377	(20,681)	360,696	348,017	12,679
Cleaning, Repair and Maintenance Services	427,401	131,130	558,531	372,792	185,739
General Supplies	129,500	42	129,542	83,375	46,167
Total Required Maintenance for School Facilities	938,278	110,491	1,048,769	804,184	244,585
Custodial Services					
Salaries	70,887	599	71,486	71,486	-
Salaries of Non-Instructional Aides	119,211	-	119,211	109,419	9,792
Purchased Professional and Technical Services		2,500	2,500	2,500	-
Cleaning, Repair, & Maintenance Services	1,136,343	(11,000)	1,125,343	1,047,488	77,855
Other Purchased Property Services	90,133	(2,500)	87,633	48,258	39,375
Insurance	133,200	35,189	168,389	168,389	-
Miscellaneous Purchased Services	6,500	-	6,500	1,986	4,514
General Supplies	210,850	(9,253)	201,597	140,489	61,108
Energy (Natural Gas)	321,540	-	321,540	208,608	112,932
Energy (Electricity)	457,062	(1,200)	455,862	343,604	112,258
Energy (Gasoline)	12,000	2,671	14,671	10,928	3,743
Other Objects	6,000	-	6,000	3,392	2,608
Interest - Energy Savings Impr Prog Bonds	100,400	-	100,400	100,400	-
Principal - Energy Savings Impr Prog Bonds	220,000	-	220,000	220,000	-
Total Custodial Services	2,884,126	17,006	2,901,132	2,476,947	424,185
Total Operation and Maintenance of Plant Services	3,822,404	127,497	3,949,901	3,281,131	668,770
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Svc.	43,500	-	43,500	41,846	1,654
General Supplies	11,000	-	11,000	3,753	7,247
Total Care and Upkeep of Grounds	54,500	-	54,500	45,599	8,901
Security					
Purchased Professional and Technical Services	15,800	6,500	22,300	13,725	8,575
Cleaning, Repair and Maintenance Svc.	18,000	(500)	17,500	13,536	3,964
General Supplies	1,000	13,900	14,900	1,752	13,148
Total Security	34,800	19,900	54,700	29,013	25,687
Student Transportation Services					
Salaries for Pupil Transportation (Between Home & School) - Regular					
Salaries for Pupil Transportation (Between Home & School) - Special	10,428	82	10,510	10,509	1
Management Fee - ESC & CTSA Trans. Prog.	6,472	-	6,472	5,413	1,059
Other Purchased Professional and Technical Services	5,318	-	5,318	5,318	-
Cleaning, Repair & Maintenance Services					
Contracted Services - Aid in Lieu of Payments	94,600	-	94,600	66,843	27,757
Contracted Services(Other Than Between Home and School)-Vendors	7,300	1,500	8,800	5,741	3,059
Contracted Services(Btw. Home and Sch.)-Jt. Agreement	213,807	-	213,807	200,362	13,445
Contracted Services(Special Ed Students)-Vendors					
Contracted Services(Special Ed Students)-Joint Agreement	399,414	60,000	459,414	402,790	56,624
Miscellaneous Purchased Services - Transportation					
General Supplies					
Transportation Supplies					
Other Objects					
Total Student Transportation Services	737,339	61,582	798,921	696,976	101,945

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual Revenue/ Appropriations</u>	<u>Variance Final Budget to Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Employee Benefits					
Social Security Contributions	\$ 381,393		\$ 381,393	\$ 361,852	\$ 19,541
Other Retirement Contributions - PERS	436,250	-	436,250	379,654	56,596
Other Retirement Contributions - Regular	16,400		16,400	4,402	11,998
Unemployment Compensation	10,000		10,000		10,000
Workers Compensation	165,000		165,000	135,146	29,854
Health Benefits	5,500,011	\$ (174,247)	5,325,764	4,910,377	415,387
Tuition Reimbursements	70,000	-	70,000	70,000	-
Other Employee Benefits	80,369	129,405	209,774	203,180	6,594
Unused Sick Payment to Terminated/Retired Staff	78,180	-	78,180	50,864	27,316
Total Unallocated Employee Benefits	6,737,603	(44,842)	6,692,761	6,115,475	577,286
On Behalf TPAF Pension-Post Retirement Medical Contribution (Non-Budgeted)				1,661,831	(1,661,831)
On Behalf TPAF Pension - NCGI (Non-Budgeted)				60,960	(60,960)
On Behalf TPAF Pension - Long Term Disability Insurance (Non-Budgeted)				3,901	(3,901)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,257,110	(1,257,110)
On Behalf TPAF Pension - Normal (Non-Budgeted)				2,512,017	(2,512,017)
Total On Behalf TPAF Benefits (Non Budgeted)	-	-	-	5,495,819	(5,495,819)
Total Undistributed Expenditures	21,949,513	710,534	22,660,047	25,820,813	(3,160,766)
Total Current Expenditures	38,598,867	497,208	39,096,075	41,692,451	(2,596,376)
CAPITAL OUTLAY					
Equipment					
Regular - Instruction					
Grades 1-5		2,302	2,302	2,302	-
Grades 6 - 8		48,400	48,400	48,399	1
Undistributed					
School Administration	50,000	(44,384)	5,616	3,359	2,257
General Administration		-			-
Central Services		-			-
Custodial Services	11,000	7,700	18,700	18,590	110
Required Maintenance for School Facilities		112,192	112,192	65,274	46,918
Security	-	11,000	11,000	10,554	446
Total Equipment	61,000	137,210	198,210	148,478	49,732
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	69,500	39,750	109,250	97,885	11,365
Other Purchased Professional and Technical Services	235,000	-	235,000	231,183	3,817
Construction Services	1,152,500	(36,860)	1,115,640	897,000	218,640
Assessment for Debt Service on SDA Funding	63,786	-	63,786	63,786	-
Total Facilities Acquisition and Construction Services	1,520,786	2,890	1,523,676	1,289,854	233,822
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	1,582,286	140,100	1,722,386	1,438,332	284,054
Total Expenditures	40,181,153	637,308	40,818,461	43,130,783	(2,312,322)

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual Revenue/ Appropriations</u>	<u>Variance Final Budget to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,378,250)	\$ (551,793)	\$ (2,930,043)	\$ 744,181	\$ 3,674,224
Other Financing Sources (Uses)					
Operating Transfers Out:					
Transfer to Cover Deficit - Enterprise Fund	(26,112)	(42,000)	(68,112)	(68,112)	-
Total Other Financing Sources (Uses)	(26,112)	(42,000)	(68,112)	(68,112)	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,404,362)	(593,793)	(2,998,155)	676,069	3,674,224
Fund Balances, Beginning of Year	6,088,229	-	6,088,229	6,088,229	-
Fund Balances, End of Year	<u>\$ 3,683,867</u>	<u>\$ (593,793)</u>	<u>\$ 3,090,074</u>	<u>\$ 6,764,298</u>	<u>\$ 3,674,224</u>

Recapitulation

Restricted Fund Balance:	
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 950,000
Excess Surplus	950,000
Maintenance Reserve	100,000
Capital Reserve	1,956,289
Capital Reserve - Designated for Subsequent Year's Expenditures	1,425,000
Assigned Fund Balance:	
Year-end Encumbrances	311,233
Unassigned Fund Balance	<u>1,071,776</u>
	6,764,298
Reconciliation to Governmental Fund Statement (GAAP)	
State Aid Payments Not Recognized on GAAP Basis	<u>(365,687)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 6,398,611</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance-Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 312,735	\$ 44,995	\$ 357,730	\$ 328,677	\$ (29,053)
Federal	470,988	140,412	611,400	562,449	(48,951)
Local Sources					
Miscellaneous	-	129,326	129,326	44,644	(84,682)
Total Revenues	<u>783,723</u>	<u>314,733</u>	<u>1,098,456</u>	<u>935,770</u>	<u>(162,686)</u>
EXPENDITURES					
Instruction					
Other Purchased Services	362,730	40,339	403,069	403,069	-
General Supplies	28,242	118,559	146,801	64,137	82,664
Textbooks	24,151	(2,459)	21,692	18,448	3,244
Total Instruction	<u>415,123</u>	<u>156,439</u>	<u>571,562</u>	<u>485,654</u>	<u>85,908</u>
Support Services					
Purchased Professional/Technical Services	100,601	45,301	145,902	111,025	34,877
Purchased Professional/Educational Services	244,806	77,248	322,054	285,947	36,107
Other Purchased Services		14,876	14,876	9,084	5,792
Supplies and Materials	11,093	16,619	27,712	27,710	2
Other Objects	12,100	4,250	16,350	16,350	-
Total Support Services	<u>368,600</u>	<u>158,294</u>	<u>526,894</u>	<u>450,116</u>	<u>76,778</u>
Total Expenditures	<u>783,723</u>	<u>314,733</u>	<u>1,098,456</u>	<u>935,770</u>	<u>162,686</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>

NOTES THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
BUDGETARY COMPARISON SCHEDULE
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibits C-1 & C-2)	\$ 43,874,964	\$ 935,770
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP Statements not recognized for budgetary purposes (prior year)	316,549	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (current year)	<u>(365,687)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 43,825,826</u>	<u>\$ 935,770</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 43,130,783</u>	<u>\$ 935,770</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 43,130,783</u>	<u>\$ 935,770</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

POST-EMPLOYEMENT BENEFITS INFORMATION

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Five Fiscal Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04037%	0.04335%	0.03780%	0.01797%	0.01818%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 9,396,412</u>	<u>\$ 12,840,120</u>	<u>\$ 8,485,379</u>	<u>\$ 6,979,610</u>	<u>\$ 6,984,929</u>
District's Covered-Employee Payroll	<u>\$ 2,885,803</u>	<u>\$ 2,774,030</u>	<u>\$ 2,834,356</u>	<u>\$ 2,633,293</u>	<u>\$ 2,485,571</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	326%	463%	299%	265%	281%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.92%	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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 373,942	\$ 385,148	\$ 324,980	\$ 307,604	\$ 275,377
Contributions in Relation to the Contractually Required Contributions	<u>373,942</u>	<u>385,148</u>	<u>324,980</u>	<u>307,604</u>	<u>275,377</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 2,885,803</u>	<u>\$ 2,774,030</u>	<u>\$ 2,834,356</u>	<u>\$ 2,633,293</u>	<u>\$ 2,485,571</u>
Contributions as a Percentage of Covered-Employee Payroll	12.96%	13.88%	11.47%	11.68%	11.08%

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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

TEACHERS PENSION AND ANNUITY FUND
Last Five Fiscal Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	<u>0.17174%</u>	<u>0.17463%</u>	<u>0.17404%</u>	<u>0.17564%</u>	<u>0.16798%</u>
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 115,790,526</u>	<u>\$ 137,377,313</u>	<u>\$ 109,999,082</u>	<u>\$ 93,875,902</u>	<u>\$ 84,897,180</u>
Total	<u>\$ 115,790,526</u>	<u>\$ 137,377,313</u>	<u>\$ 109,999,082</u>	<u>\$ 93,875,902</u>	<u>\$ 84,897,180</u>
District's Covered-Employee Payroll	<u>\$ 17,819,304</u>	<u>\$ 17,889,201</u>	<u>\$ 17,493,826</u>	<u>\$ 17,507,751</u>	<u>\$ 17,298,380</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%
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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 contribution are presented in Note 5.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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	\$ 3,306,380
Interest on the Total OPEB Liability	2,174,371
Changes of Assumptions	(9,091,672)
Gross Benefit Payments	(1,625,881)
Contribution from the Member	59,869
Net Change in Total OPEB Liability	(5,176,933)
Total OPEB Liability - Beginning	73,993,557
Total OPEB Liability - Ending	\$ 68,816,624
District's Proportionate Share	\$0
State's Proportionate Share	\$ 68,816,624
Total OPEB Liability - Ending	\$ 68,816,624
Covered-Employee Payroll	\$ 20,705,107
Total OPEB Liability as a Percentage of Covered-Employee Payroll:	332.37%

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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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

EXHIBITS D-1, D-2 AND D-3

NOT APPLICABLE

SPECIAL REVENUE FUND

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUES	Title I - Part A	Title II - Part A	Title IV - Part A	IDEA Part B- Basic	IDEA Part B- Preschool	Emergency Impact Aid	Non Public Security	Home Instruction	Local Programs	Total Exhibit E-1 Page 2	Total 2018
Intergovernmental											
Federal	\$ 50,016	\$ 27,695	\$ 5,692	\$ 448,932	\$ 23,364	\$ 6,750					\$ 562,449
Local									\$ 44,644		44,644
State	-	-	-	-	-	-	\$ 31,050	\$ 5,165	-	\$ 292,462	328,677
Total Revenues	\$ 50,016	\$ 27,695	\$ 5,692	\$ 448,932	\$ 23,364	\$ 6,750	\$ 31,050	\$ 5,165	\$ 44,644	\$ 292,462	\$ 935,770
EXPENDITURES											
Instruction											
Other Purchased Services				\$ 379,705	\$ 23,364						\$ 403,069
General Supplies	\$ 7,051		\$ 5,692			\$ 6,750			\$ 44,644		64,137
Textbooks	-	-	-	-	-	-	-	-	-	\$ 18,448	18,448
Total Instruction	7,051	-	5,692	379,705	23,364	6,750	-	-	44,644	18,448	485,654
Support Services											
Purchased Professional/Technical Services				69,227			\$ 1,640				40,158
Purchased Professional/Educational Services	\$ 37,479	\$ 24,097						\$ 5,165			219,206
Other Purchased Services	5,486	3,598									9,084
Supplies and Materials							13,060				14,650
Other Objects	-	-	-	-	-	-	16,350	-	-	-	16,350
Total Support Services	42,965	27,695	-	69,227	-	-	31,050	5,165	-	274,014	450,116
Total Expenditures	\$ 50,016	\$ 27,695	\$ 5,692	\$ 448,932	\$ 23,364	\$ 6,750	\$ 31,050	\$ 5,165	\$ 44,644	\$ 292,462	\$ 935,770

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Non-Public Supplemental Instruction	Non-Public Examination and Classification	Non-Public Corrective Speech	Non-Public Textbooks	Non Public Technology	Non-Public Nursing	Non-Public Comp. Education	Non-Public ESL	Non-Public Transportation	Total Exhibit E-1 Page 2
REVENUES										
Intergovernmental										
Federal										
Local										
State	\$ 37,190	\$ 41,149	\$ 19,195	\$ 18,448	\$ 14,650	\$ 40,158	\$ 102,935	\$ 3,162	\$ 15,575	\$ 292,462
Total Revenues	<u>\$ 37,190</u>	<u>\$ 41,149</u>	<u>\$ 19,195</u>	<u>\$ 18,448</u>	<u>\$ 14,650</u>	<u>\$ 40,158</u>	<u>\$ 102,935</u>	<u>\$ 3,162</u>	<u>\$ 15,575</u>	<u>\$ 292,462</u>
EXPENDITURES										
Instruction										
Textbooks	-	-	-	\$ 18,448	-	-	-	-	-	\$ 18,448
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,448</u>
Support Services										
Purchased Professional/Technical Services						\$ 40,158				40,158
Purchased Professional/Educational Services	\$ 37,190	\$ 41,149	\$ 19,195				\$ 102,935	\$ 3,162	\$ 15,575	219,206
Other Purchased Services										-
Supplies and Materials	-	-	-	-	\$ 14,650	-	-	-	-	14,650
Total Support Services	<u>37,190</u>	<u>41,149</u>	<u>19,195</u>	<u>-</u>	<u>14,650</u>	<u>40,158</u>	<u>102,935</u>	<u>3,162</u>	<u>15,575</u>	<u>274,014</u>
Total Expenditures	<u>\$ 37,190</u>	<u>\$ 41,149</u>	<u>\$ 19,195</u>	<u>\$ 18,448</u>	<u>\$ 14,650</u>	<u>\$ 40,158</u>	<u>\$ 102,935</u>	<u>\$ 3,162</u>	<u>\$ 15,575</u>	<u>\$ 292,462</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUNDS

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 ENTERPRISE FUNDS - NON MAJOR
 STATEMENT OF NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Social Club Fund</u>	<u>Chromebook Program Fund</u>	<u>Pay To Participate Fund</u>	<u>Total Non Major Enterprise Funds</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 5,835	\$ 45,736	\$ 45,025	\$ 96,596
Accounts Receivable	-	894	-	894
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	5,835	46,630	45,025	97,490
LIABILITIES				
Current Liabilities				
Unearned Revenue	2,450			2,450
Accounts Payable	-	-	5,255	5,255
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	2,450	-	5,255	7,705
NET POSITION				
Unrestricted	<hr/> 3,385	<hr/> 46,630	<hr/> 39,770	<hr/> 89,785
Total Net Position	\$ 3,385	\$ 46,630	\$ 39,770	\$ 89,785

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 ENTERPRISE FUNDS - NONMAJOR
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Social Club Fund</u>	<u>Chromebook Program Fund</u>	<u>Pay To Participate Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES				
Charges for Services				
Program Fees	\$ 26,203	\$ 17,303	\$ 13,600	\$ 57,106
Total Operating Revenues	<u>26,203</u>	<u>17,303</u>	<u>13,600</u>	<u>57,106</u>
OPERATING EXPENSES				
Salaries and Employee Benefits	22,459		23,191	45,650
Purchased Professional Services			15,444	15,444
Supplies and Materials	359		6,394	6,753
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>22,818</u>	<u>-</u>	<u>45,029</u>	<u>67,847</u>
Operating Income (Loss)	<u>3,385</u>	<u>17,303</u>	<u>(31,429)</u>	<u>(10,741)</u>
Net Income (Loss) Before Operating Transfers	<u>3,385</u>	<u>17,303</u>	<u>(31,429)</u>	<u>(10,741)</u>
Operating Transfers				
Transfers In	-	-	68,112	68,112
Change in Net Position	3,385	17,303	36,683	57,371
Total Net Position, Beginning of Year	<u>-</u>	<u>29,327</u>	<u>3,087</u>	<u>32,414</u>
Total Net Position, End of Year	<u>\$ 3,385</u>	<u>\$ 46,630</u>	<u>\$ 39,770</u>	<u>\$ 89,785</u>

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
ENTERPRISE FUNDS - NONMAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Social Club Fund</u>	<u>Chromebook Program Fund</u>	<u>Pay To Participate Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 25,315	\$ 16,409	\$ 13,600	\$ 55,324
Cash Payments for Employees' Salaries and Benefits	(22,459)	-	(17,936)	(40,395)
Payments to Suppliers for Goods and Services	(359)	-	(21,838)	(22,197)
	<u>2,497</u>	<u>16,409</u>	<u>(26,174)</u>	<u>(7,268)</u>
Net Cash Provided (Used) by Operating Activities				
Cash Flows from Noncapital Financing Activities				
Cash Received from Other Funds	-	-	68,112	68,112
	<u>-</u>	<u>-</u>	<u>68,112</u>	<u>68,112</u>
Net Cash Provided by Noncapital Financing Activities				
	<u>-</u>	<u>-</u>	<u>68,112</u>	<u>68,112</u>
Net Increase in Cash and Cash Equivalents	2,497	16,409	41,938	60,844
Cash and Cash Equivalents, Beginning of Year	3,338	29,327	3,087	35,752
Cash and Cash Equivalents, End of Year	<u>\$ 5,835</u>	<u>\$ 45,736</u>	<u>\$ 45,025</u>	<u>\$ 96,596</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 3,385	\$ 17,303	\$ (31,429)	\$ (10,741)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Change in Assets and Liabilities				
(Increase)/Decrease in Accounts Receivable		(894)		(894)
Increase/(Decrease) in Accounts Payable			5,255	5,255
Increase/(Decrease) in Unearned Revenue	(888)	-	-	(888)
	<u>(888)</u>	<u>(894)</u>	<u>5,255</u>	<u>3,473</u>
Total Adjustments				
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,497</u>	<u>\$ 16,409</u>	<u>\$ (26,174)</u>	<u>\$ (7,268)</u>

FIDUCIARY FUNDS

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	<u>Agency</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 32,431	\$ 19,893	\$ 52,324
Total Assets	<u>\$ 32,431</u>	<u>\$ 19,893</u>	<u>\$ 52,324</u>
LIABILITIES			
Liabilities			
Accrued Salaries and Wages		\$ 30	\$ 30
Payroll Deductions and Withholdings		19,863	19,863
Payable to Student Groups	<u>\$ 32,431</u>	<u>-</u>	<u>32,431</u>
Total Liabilities	<u>\$ 32,431</u>	<u>\$ 19,893</u>	<u>\$ 52,324</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
ELEMENTARY SCHOOLS				
Calvin Coolidge	\$ 5,206	\$ 12,430	\$ 14,992	\$ 2,644
Abraham Lincoln	3,924	12,818	14,764	1,978
George Washington	7,854	21,206	22,423	6,637
Dwight D. Eisenhower	21,809	330,034	334,486	17,357
Sicomac	<u>2,829</u>	<u>7,926</u>	<u>6,940</u>	<u>3,815</u>
 Total	 <u>\$ 41,622</u>	 <u>\$ 384,414</u>	 <u>\$ 393,605</u>	 <u>\$ 32,431</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
Accrued Salaries and Wages	\$ 18	\$ 13,152,930	\$ 13,152,918	\$ 30
Payroll Deductions and Withholdings	<u>35,525</u>	<u>11,737,515</u>	<u>11,753,177</u>	<u>19,863</u>
 Total Liabilities	 <u>\$ 35,543</u>	 <u>\$ 24,890,445</u>	 <u>\$ 24,906,095</u>	 <u>\$ 19,893</u>

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LONG-TERM DEBT

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Issue</u>	<u>Date of Bonds</u>	<u>Amount of Bonds</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
School Energy Saving Obligation Bonds	3/4/2010	\$ 3,535,000	3/15/2019	\$ 235,000	5.00%	\$ 2,265,000	\$ 220,000	\$ 2,045,000
			3/15/2020	255,000	5.00%			
			3/15/2021	270,000	5.00%			
			3/15/2022	295,000	4.00%			
			3/15/2023	310,000	4.00%			
			3/15/2024	330,000	4.00%			
			3/15/2025	350,000	4.00%			
Refunding School Bonds	2/8/2012	9,485,000	4/1/2019	940,000	4.00%	8,300,000	900,000	7,400,000
			4/1/2020	980,000	4.00%			
			4/1/2021	1,015,000	4.00%			
			4/1/2022	1,060,000	4.00%			
			4/1/2023	1,105,000	3.00%			
			4/1/2024	1,135,000	3.125%			
			4/1/2025	1,165,000	3.25%			

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Issue</u>	<u>Date of Bonds</u>	<u>Amount of Bonds</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds	3/14/2013	\$ 12,440,000	4/1/2019	\$ 70,000	2.00%			
			4/1/2020	70,000	2.00%			
			4/1/2021	70,000	2.125%			
			4/1/2022	75,000	2.250%			
			4/1/2023	75,000	2.500%			
			4/1/2024	75,000	2.750%			
			4/1/2025	80,000	3.000%			
			4/1/2026	1,360,000	4.000%			
			4/1/2027	1,415,000	4.000%			
			4/1/2028	1,475,000	3.000%			
			4/1/2029	1,520,000	3.000%			
			4/1/2030	1,565,000	3.000%			
			4/1/2031	1,610,000	3.000%			
			4/1/2032	1,660,000	3.000%			
					\$ 11,190,000	\$ 70,000	\$ 11,120,000	
					\$ 21,755,000	\$ 1,190,000	\$ 20,565,000	

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Interest Rate Payable</u>		<u>Amount of Original Issue</u>	<u>Balance, July 1, 2017</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
Apple Computers	2.59	%	\$ 273,591	\$ 91,473	\$ 91,473	
Acer Chromebooks	3.47	%	270,400	<u>177,174</u>	<u>87,076</u>	\$ <u>90,098</u>
				<u>\$ 268,647</u>	<u>\$ 178,549</u>	<u>\$ 90,098</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,631,894	-	\$ 1,631,894	\$ 1,631,894	-
Total Revenues	<u>1,631,894</u>	<u>-</u>	<u>1,631,894</u>	<u>1,631,894</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest on Bonds	661,894		661,894	661,894	
Redemption of Principal	970,000	-	970,000	970,000	-
Total Expenditures	<u>1,631,894</u>	<u>-</u>	<u>1,631,894</u>	<u>1,631,894</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Wyckoff Township Public Schools' 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.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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										
Net Investment in Capital Assets	\$ 15,701,360	\$ 16,230,373	\$ 16,615,237	\$ 17,018,359	\$ 16,504,241	\$ 16,915,916	\$ 17,385,986	\$ 17,769,302	\$ 18,666,868	\$ 19,296,164
Restricted	407,178	551,134	1,063,083	1,802,082	2,415,204	2,511,556	2,014,549	2,070,244	2,832,343	3,481,289
Unrestricted	579,150	664,442	1,317,934	980,328	1,665,013	(5,289,907)	(4,634,993)	(5,105,707)	(7,016,266)	(7,073,784)
Total governmental activities net position	\$ 16,687,688	\$ 17,445,949	\$ 18,996,254	\$ 19,800,769	\$ 20,584,458	\$ 14,137,565	\$ 14,765,542	\$ 14,733,839	\$ 14,482,945	\$ 15,703,669
Business-type activities										
Net Investment in Capital Assets	\$ 31,563	\$ 27,420	\$ 44,871	\$ 66,605	\$ 205,110	\$ 189,737	\$ 193,402	\$ 260,658	\$ 253,367	\$ 235,878
Unrestricted	109,271	171,448	195,463	209,384	99,126	141,231	142,371	75,913	148,850	274,303
Total business-type activities net position	\$ 140,834	\$ 198,868	\$ 240,334	\$ 275,989	\$ 304,236	\$ 330,968	\$ 335,773	\$ 336,571	\$ 402,217	\$ 510,181
Government-wide										
Net Investment in Capital Assets	\$ 15,732,923	\$ 16,257,793	\$ 16,660,108	\$ 17,084,964	\$ 16,709,351	\$ 17,105,653	\$ 17,579,388	\$ 18,029,960	\$ 18,920,235	\$ 19,532,042
Restricted	407,178	551,134	1,063,083	1,802,082	2,415,204	2,511,556	2,014,549	2,070,244	2,832,343	3,481,289
Unrestricted	688,421	835,890	1,513,397	1,189,712	1,764,139	(5,148,676)	(4,492,622)	(5,029,794)	(6,867,416)	(6,799,481)
Total district net position	\$ 16,828,522	\$ 17,644,817	\$ 19,236,588	\$ 20,076,758	\$ 20,888,694	\$ 14,468,533	\$ 15,101,315	\$ 15,070,410	\$ 14,885,162	\$ 16,213,850

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, Items Previously Reported in Assets and Liabilities.

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(annual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 16,213,690	\$ 15,612,686	\$ 15,253,283	\$ 16,760,683	\$ 16,973,717	\$ 17,030,219	\$ 20,148,435	\$ 22,066,382	\$ 23,990,492	\$ 23,714,838
Special instruction	4,293,066	4,811,413	4,980,748	4,856,816	4,977,882	5,405,694	5,907,982	6,518,557	7,189,764	7,160,868
Other instruction	624,896	647,680	741,236	846,425	886,013	795,050	850,106	850,106	978,414	973,966
School Sponsored Activities and Athletics	93,277	127,152	86,636	97,696	112,200	106,214	129,997	131,644	159,241	170,978
Support Services:										
Student and instruction related services	5,046,705	5,477,874	5,545,911	5,662,930	6,347,619	6,772,366	8,188,790	8,632,764	9,737,909	10,087,030
General administration	836,194	857,667	882,832	1,020,344	1,055,539	1,276,570	1,276,570	1,210,137	1,257,913	1,365,650
School Administration	2,119,189	2,077,251	2,052,865	2,150,883	2,293,918	2,341,059	2,463,373	2,463,373	3,315,583	3,323,479
Business/Control Services	1,031,778	1,050,628	1,070,426	1,318,982	1,192,291	1,197,803	1,083,601	1,083,601	942,039	942,039
Plant operations and maintenance	3,505,082	3,711,759	3,595,224	3,745,384	3,773,045	3,810,500	3,721,279	4,099,517	4,147,455	4,147,455
Payroll transportation	751,115	802,943	638,874	571,434	596,484	656,657	658,430	728,400	705,836	705,836
Interest on long-term debt	1,046,299	1,113,529	1,187,399	889,290	735,639	970,806	948,694	907,955	876,602	854,903
Total governmental activities expenses	\$ 35,530,421	\$ 36,071,685	\$ 36,044,394	\$ 37,524,151	\$ 39,227,844	\$ 40,101,252	\$ 45,737,829	\$ 48,634,728	\$ 53,442,329	\$ 53,427,022
Business-type activities:										
Food service	340,179	401,985	436,633	453,492	474,678	484,735	483,464	516,764	473,056	444,864
Summer enrichment program	26,604	25,421	15,073	32,511	37,324	27,382	27,036	27,323	36,528	36,528
Social Club							25,912	32,747	48,057	23,818
Choir/book Program								6,813	1,288	--
Pay to Participants			36,574	40,256	40,528	45,623	40,395	42,390	46,087	45,029
Total business-type activities expense	\$ 366,783	\$ 427,406	\$ 488,880	\$ 526,359	\$ 552,530	\$ 557,740	\$ 576,807	\$ 626,087	\$ 608,488	\$ 551,659
Total district expenses	\$ 35,897,204	\$ 36,499,091	\$ 36,533,274	\$ 38,050,510	\$ 39,780,374	\$ 40,658,992	\$ 46,314,636	\$ 49,260,815	\$ 54,050,817	\$ 53,978,681
Program Revenues										
Governmental activities:										
Charges for services:										
Special education	\$ 76,376	\$ 81,271	\$ 150,871	\$ 117,912	\$ 146,890	\$ 89,149	\$ 95,685	\$ 40,589	\$ 57,034	\$ 54,192
Transportation Fees	4,580,383	4,901,736	3,735,705	4,442,219	5,372,266	5,076,834	9,624,413	11,586,186	15,216,378	15,952,682
Capital grants and contributions	6,374	801	7,621	109,234	97,453	68,816	2,232	2,232	--	--
Total governmental activities program revenues	\$ 4,664,133	\$ 4,983,808	\$ 3,896,297	\$ 4,669,365	\$ 5,515,136	\$ 5,233,618	\$ 10,748,394	\$ 11,628,929	\$ 15,273,412	\$ 16,031,331
Business-type activities:										
Charges for services:										
Food service	397,550	418,821	443,106	452,670	509,962	513,317	507,930	525,715	530,667	493,470
Summer enrichment program	41,330	31,325	13,800	20,764	24,165	20,800	21,588	18,220	40,332	40,332
Social Club							28,000	30,659	36,600	26,203
Choir/book Program								21,641	15,787	17,303
Pay to Participants	32,749	35,079	12,446	17,079	16,796	15,750	13,875	17,375	15,995	13,600
Operating grants and contributions	471,083	463,223	509,776	525,113	545,893	549,897	571,373	613,610	589,049	590,908
Total business-type activities program revenues	\$ 1,183,024	\$ 1,408,733	\$ 1,408,733	\$ 1,496,478	\$ 1,606,929	\$ 1,613,485	\$ 1,613,485	\$ 1,724,239	\$ 1,587,106	\$ 1,627,239
Net (Expense)/Revenue										
Governmental activities	\$ (60,866,156)	\$ (61,087,977)	\$ (62,148,697)	\$ (62,852,786)	\$ (63,706,688)	\$ (64,867,634)	\$ (65,538,945)	\$ (66,995,799)	\$ (68,144,272)	\$ (67,392,691)
Business-type activities	194,306	27,819	2,834	2,834	(3,647)	(7,873)	(5,438)	(12,427)	20,551	39,259
Total government-wide net expense	\$ (60,671,850)	\$ (61,060,158)	\$ (62,127,201)	\$ (62,849,952)	\$ (63,710,351)	\$ (64,845,507)	\$ (65,544,383)	\$ (67,008,226)	\$ (68,123,721)	\$ (67,353,432)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 28,977,510	\$ 29,748,276	\$ 31,329,978	\$ 31,799,928	\$ 32,698,837	\$ 33,634,404	\$ 34,407,661	\$ 35,431,541	\$ 36,134,172	\$ 36,853,242
Property taxes levied for debt service	1,211,955	1,811,218	1,811,718	1,813,068	1,657,773	1,508,174	1,626,162	1,391,784	1,628,948	1,631,894
Unrestricted grants and contributions	65,044	163,674	43,509	(3,079)	27,463	32,112	7,050	7,050	5,482	7,428
Donation of Capital Assets	112,180	(12,461)	56,321	23,163	199,904	235,280	81,669	103,860	108,393	127,093
Disposal of Capital Assets	12,433	40,902	720,444	56,321	199,904	(34,300)	(10,000)	(10,000)	(44,560)	(68,112)
Investment earnings			(32,100)	33,657,301	33,492,377	35,275,670	36,166,922	36,864,036	37,892,378	38,613,415
Miscellaneous income	30,379,102	31,846,238	33,873,882	33,657,301	33,492,377	35,275,670	36,166,922	36,864,036	37,892,378	38,613,415
Total governmental activities										
Business-type activities:										
Investment earnings	252	215	319	701	294	305	239	225	535	583
Disposal of Capital Assets			(11,812)	32,100	31,600	34,300	10,000	13,000	44,560	68,112
Transfers	252	215	19,970	32,801	31,894	34,605	10,239	43,095	68,695	68,695
Total business-type activities	\$ 30,379,354	\$ 31,846,433	\$ 33,893,852	\$ 33,690,102	\$ 34,524,271	\$ 35,110,275	\$ 36,177,161	\$ 36,977,321	\$ 37,938,473	\$ 38,682,110
Total government-wide										
Change in Net Position	\$ (487,034)	\$ 78,261	\$ 1,725,185	\$ 894,515	\$ 783,689	\$ 538,036	\$ 627,977	\$ 61,703	\$ (250,894)	\$ 1,220,724
Governmental activities	165,158	58,034	41,466	35,655	28,247	26,732	4,805	65,646	66,646	107,964
Business-type activities	(331,166)	816,225	1,765,651	846,170	811,945	564,368	632,382	(30,903)	(183,248)	1,332,688
Total district										

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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	\$ 1,647,583	\$ 1,395,124								
Unreserved	909,724	1,359,984								
Nonspendable										
Restricted			\$ 1,786,542	\$ 3,087,198	\$ 3,873,192	\$ 4,072,300	\$ 4,314,012	\$ 4,701,797	\$ 4,582,343	\$ 5,381,289
Committed			213,783							
Assigned			1,275,761	1,049,361	1,112,752	913,526	464,031	494,339	477,422	311,233
Unassigned			626,780	608,871	617,346	647,846	669,938	699,334	711,915	706,089
Total general fund	\$ 2,557,307	\$ 2,755,108	\$ 3,902,866	\$ 4,745,430	\$ 5,603,290	\$ 5,633,672	\$ 5,447,981	\$ 5,895,470	\$ 5,771,680	\$ 6,398,611
All Other Governmental Funds										
Reserved	\$ 151,847	\$ 3,041,690								
Unreserved	266,640	333,173								
Nonspendable										
Restricted			\$ 1,041,310	\$ 433,569	\$ 360,958	\$ 258,202	\$ 336,136	\$ 4,046		
Committed										
Assigned										
Unassigned										
Total all other governmental funds	\$ 418,487	\$ 3,374,863	\$ 1,041,310	\$ 433,569	\$ 360,958	\$ 258,202	\$ 336,136	\$ 4,046	\$ -	\$ -

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.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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										
Property Tax levy	\$ 30,189,445	\$ 31,559,494	\$ 33,141,696	\$ 33,612,996	\$ 34,296,610	\$ 35,142,578	\$ 36,033,823	\$ 36,823,325	\$ 37,763,120	\$ 38,485,136
Tuition charges	76,376	81,271	150,871							
Interest earnings	112,180	51,124	56,373	23,163	27,463	32,112	6,669	7,050	5,482	7,428
Miscellaneous	129,428	85,105	834,719	194,247	414,598	439,764	275,222	229,830	253,941	253,386
State sources	3,940,352	4,200,612	2,751,721	3,909,018	4,755,309	4,441,625	5,280,410	5,680,193	6,233,763	7,085,091
Federal sources	595,656	821,096	879,430	622,421	549,153	519,874	529,053	538,080	568,585	562,449
Total revenue	35,043,437	36,798,702	37,814,810	38,361,845	40,043,133	40,575,953	42,125,177	43,278,478	44,824,891	46,393,490
Expenditures										
Instruction										
Regular Instruction	15,033,391	15,018,142	14,452,311	15,971,754	16,145,019	16,236,968	16,971,203	18,086,826	18,266,060	18,271,204
Special education instruction	4,228,358	4,785,484	4,956,889	4,820,677	4,959,949	5,383,905	5,391,660	5,791,425	5,978,910	6,052,694
Other instruction	620,054	658,460	737,413	846,358	882,867	851,329	690,780	718,199	767,254	774,000
School sponsored activities and athletics	95,277	127,192	86,636	97,696	112,200	106,214	114,448	112,448	126,360	137,229
Support Services:										
Student and inst. related services	5,014,289	5,481,099	5,505,279	5,587,169	6,248,598	6,673,030	7,237,594	7,493,994	7,829,917	8,326,361
General administration services	798,878	824,691	825,539	957,543	1,016,756	974,907	1,128,437	1,047,146	990,347	1,115,323
School administration services	2,124,872	2,075,964	2,055,952	2,145,544	2,282,557	2,343,963	2,451,979	2,490,037	2,602,485	2,704,212
Business/Central services	1,030,114	779,965	1,051,992	1,067,927	1,317,053	1,189,511	1,124,016	975,200	882,955	786,011
Plant operations and maintenance	3,493,871	3,163,649	3,016,310	2,984,149	3,090,854	3,010,798	3,138,718	3,005,755	3,212,575	3,333,117
Pupil transportation	748,431	828,528	635,759	568,422	618,965	596,067	636,028	657,073	723,775	702,509
Capital outlay	969,748	1,843,390	3,542,087	1,456,722	427,287	1,125,259	1,272,634	1,091,444	1,579,857	1,355,225
Debt service:										
Principal	705,403	715,460	875,043	1,200,500	1,295,566	1,224,926	1,187,570	1,115,000	1,415,344	1,368,549
Interest and other charges	1,104,715	1,157,445	1,227,932	1,008,486	828,613	897,150	877,867	830,663	811,188	772,013
Bond Issuance Costs				130,023	138,583					
Advance Refunding Escrow				1,521,173	1,317,895					
Total expenditures	35,967,401	37,459,469	38,969,142	40,364,143	40,682,762	40,614,027	42,222,934	43,415,210	45,187,027	45,698,447
Excess (Deficiency) of revenues over (under) expenditures	(923,964)	(660,767)	(1,154,332)	(2,002,298)	(639,629)	(38,074)	(97,757)	(136,732)	(362,136)	695,043
Other Financing sources (uses)										
Proceeds from bonds		3,535,000		9,485,000	12,440,000					
Premium on bonds		279,944		1,261,196	246,478					
Payment to Refunded Bond Escrow Agent				(9,095,000)	(11,230,000)					
Capital lease proceeds (non-budgeted)				618,025				265,131	278,860	
Principal on bonds issued										
Transfers in	27,296	193	35,511	18,294	8	6	904,502	86,980		
Transfers out	(27,296)	(193)	(66,974)	(50,394)	(31,608)	(34,306)	(914,502)	(99,980)	(44,560)	(68,112)
Total other financing sources (uses)	-	3,814,944	(31,463)	2,237,121	1,424,878	(34,300)	(10,000)	252,131	234,300	(68,112)
Net change in fund balances	\$ (923,964)	\$ 3,154,177	\$ (1,185,795)	\$ 234,823	\$ 785,249	\$ (72,374)	\$ (107,757)	\$ 115,399	\$ (127,836)	\$ 626,931
Debt service as a percentage of noncapital expenditures	5.17%	5.26%	5.94%	5.68%	5.28%	5.37%	5.04%	4.60%	5.11%	4.83%

* Noncapital expenditures are total expenditures less capital outlay.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>Restitution</u>	<u>Tuition</u>	<u>Interest</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2009		\$ 76,376	\$ 112,180	\$ 4,782	\$ 7,651	\$ 200,989
2010	\$ 7,621	81,271	50,931	5,965	27,316	173,104
2011	6,522	150,871	56,054	1,086	65,488	280,021
2012	6,001	117,912	23,100	5,815	26,332	179,160
2013	7,837	146,890	27,455	5,143	173,841	361,166
2014	7,235	89,149	32,106	42,063	159,824	330,377
2015	11,786	95,685	21,989	3,727	74,484	207,671
2016	6,326	40,589	21,161	11,607	90,678	170,361
2017	6,512	57,034	22,848	10,505	98,655	195,554
2018	2,739	54,192	7,428	19,060	132,751	216,170

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2009	\$ 42,478,300	\$ 4,406,522,769	\$ 3,405,300	\$ 27,000	\$ 223,306,500	\$ 33,175,000	\$ 1,545,900	\$ 4,710,460,769	\$ 7,303,129	\$ 4,717,763,898	\$ 4,746,516,274	\$ 0.654
2010	42,659,400	4,469,519,894	2,779,400	27,000	221,726,300	33,175,000	1,545,900	4,771,432,894	7,271,456	4,778,704,350	4,759,016,380	0.677
2011	39,532,900	4,487,703,143	2,779,400	27,000	222,862,000	33,175,000	1,545,900	4,787,625,343	6,003,258	4,793,628,601	4,636,536,100	0.696
2012	39,171,900	4,494,020,543	2,779,400	27,000	250,965,200	33,175,000	1,545,900	4,821,684,943	6,116,604	4,827,801,547	4,507,239,218	0.704
2013	31,380,600	4,497,796,143	2,779,400	22,700	253,371,600	31,644,000	1,545,900	4,818,540,343	-	4,818,540,343	4,313,961,266	0.721
2014	29,284,743	4,498,457,500	2,779,400	22,700	255,001,400	31,644,000	1,545,900	4,818,735,643	-	4,818,735,643	4,301,161,628	0.739
2015	30,820,900	4,295,188,200	2,493,900	19,400	257,699,500	32,743,400	1,942,500	4,620,907,800	-	4,620,907,800	4,515,521,857	0.788
2016	28,909,400	4,311,852,500	2,493,900	19,400	267,645,600	32,763,400	1,942,500	4,645,626,700	-	4,645,626,700	4,524,284,465	0.803
2017	21,423,800	4,337,725,800	2,493,900	19,400	277,143,600	32,763,400	1,942,500	4,673,512,400	-	4,673,512,400	4,627,781,006	0.816
2018	26,482,100	4,359,590,600	2,493,900	19,400	276,489,300	32,763,400	1,942,500	4,699,781,200	-	4,699,781,200	4,648,256,121	0.827

N/A - Not Available

Source: County Abstract of Ratables

^a Tax rates are per \$100

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

(Unaudited)

(rate per \$100 of assessed value)

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Total Local Direct School Tax Rate	Regional High School District	Municipality	County	
2009	\$ 0.654	\$ 0.352	\$ 0.228	\$ 0.194	\$ 1.428
2010	0.677	0.364	0.238	0.195	1.474
2011	0.696	0.375	0.245	0.202	1.518
2012	0.704	0.379	0.247	0.204	1.534
2013	0.721	0.379	0.250	0.205	1.555
2014	0.739	0.384	0.256	0.208	1.587
2015	0.788	0.412	0.273	0.240	1.713
2016	0.803	0.408	0.281	0.240	1.732
2017	0.816	0.412	0.283	0.249	1.760
2018	0.827	0.426	0.287	0.242	1.782

Source: County Abstract of Ratables

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Taxpayer	2018		Taxpayer	2009	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Munico Associates	\$ 71,572,300	1.53%	Munico Associates	\$ 29,458,000	0.62%
Precision Multiple Controls, Inc.	12,184,200	0.26%	Precision Multiple Controls, Inc.	13,092,700	0.27%
UB Wyckoff I	11,032,600	0.24%	Wyckoff Hye Partners	11,729,000	0.24%
Wyckoff Partners LLC	9,763,300	0.21%	Grossman, Ivan & Solomon-Plazter	9,841,900	0.20%
Individual Taxpayer #1	8,269,400	0.18%	Cole, Charles W. Jr. & Shawn	8,000,000	0.17%
Individual Taxpayer #2	7,717,300	0.17%	Canterbury Development Corp.	7,410,000	0.15%
Varnic, LLC	7,307,300	0.16%	Wyckoff Shopping Center	6,979,200	0.15%
Wyckoff Shopping Center	6,192,800	0.13%	Varnic, LLC.	6,612,600	0.14%
677 Charnwood Drive LLC	6,125,100	0.13%	Sturn, Kenneth	6,490,000	0.14%
Wyckoff Capital Advisors LP	3,738,000	0.08%	Wyckoff Properties L.P.	3,675,000	0.08%
	<u>\$ 143,902,300</u>	<u>3.08%</u>		<u>\$ 103,288,400</u>	<u>2.18%</u>

Source: Municipal Tax Assessor

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 30,189,445	\$ 30,189,445	100.00%	
2010	31,559,494	31,559,494	100.00%	
2011	33,141,696	33,141,696	100.00%	
2012	33,612,996	33,612,996	100.00%	
2013	34,296,610	34,296,610	100.00%	
2014	35,142,578	35,142,578	100.00%	
2015	36,033,823	36,033,823	100.00%	
2016	36,823,325	36,823,325	100.00%	
2017	37,763,120	37,763,120	100.00%	
2018	38,485,136	38,485,136	100.00%	

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2009	\$ 24,756,040		\$ 24,756,040	16,826	\$ 1,471
2010	27,575,580		27,575,580	16,912	1,631
2011	26,700,537		26,700,537	16,746	1,594
2012	26,064,751	\$ 443,311	26,508,062	16,927	1,566
2013	26,145,476	277,020	26,422,496	17,022	1,552
2014	25,090,000	107,570	25,197,570	17,108	1,473
2015	24,010,000		24,010,000	17,185	1,397
2016	22,895,000	265,131	23,160,131	17,260	1,342
2017	21,755,000	268,647	22,023,647	17,284	1,274
2018	20,565,000	90,098	20,655,098	17,322	(E) 1,192

(E) - Estimated

Source: District records

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 Debt	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2009	\$ 24,756,040		\$ 24,756,040	0.52%	\$ 1,471
2010	27,575,580		27,575,580	0.58%	1,631
2011	26,700,537		26,700,537	0.56%	1,594
2012	26,064,751		26,064,751	0.54%	1,540
2013	26,145,476		26,145,476	0.54%	1,536
2014	25,090,000		25,090,000	0.52%	1,467
2015	24,010,000		24,010,000	0.52%	1,397
2016	22,895,000		22,895,000	0.49%	1,326
2017	21,755,000		21,755,000	0.47%	1,259
2018	20,565,000		20,565,000	0.44%	1,187

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Wyckoff Township Public Schools	\$ 21,755,000	\$ 21,755,000	
Regional High School - Wyckoff's Share	7,329,608	7,329,608	
Township of Wyckoff	<u>2,758,050</u>	<u>-</u>	<u>\$ 2,758,050</u>
	<u>\$ 31,842,658</u>	<u>\$ 29,084,608</u>	<u>2,758,050</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			34,003,692
Northwest Utilities Authority - Water Pollution (B)			<u>2,366,758</u>
			<u>36,370,450</u>
 Total Direct and Overlapping Debt			 <u>\$ 39,128,500</u>

Source:

(1) Township's 2017 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Wyckoff by dividing the municipality's 2017 equalized value by the total 2017 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Township's 2017 billings by the total 2017 billings of the Authority.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized valuation basis

2017	\$ 4,617,182,770
2016	4,595,080,811
2015	4,495,046,498
	<u>\$ 13,707,310,079</u>

Average equalized valuation of taxable property	\$ 4,569,103,360
Debt limit (3 % of average equalization value)	137,073,101
Total Net Debt Applicable to Limit	<u>(20,565,000)</u>
Legal debt margin	<u>\$ 116,508,101</u>

Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 136,689,994	\$ 139,486,312	\$ 139,168,518	\$ 137,570,093	\$ 133,835,491	\$ 130,705,527	\$ 129,884,480	\$ 131,722,597	\$ 134,715,927	\$ 137,073,101
Total net debt applicable to limit	<u>(24,756,040)</u>	<u>(27,575,580)</u>	<u>(26,700,537)</u>	<u>(26,064,751)</u>	<u>(26,145,476)</u>	<u>(25,090,000)</u>	<u>(24,010,000)</u>	<u>(22,895,000)</u>	<u>(21,755,000)</u>	<u>(20,565,000)</u>
Legal debt margin	<u>\$ 111,933,954</u>	<u>\$ 111,910,732</u>	<u>\$ 112,467,981</u>	<u>\$ 111,505,342</u>	<u>\$ 107,690,015</u>	<u>\$ 105,615,527</u>	<u>\$ 105,874,480</u>	<u>\$ 108,827,597</u>	<u>\$ 112,960,927</u>	<u>\$ 116,508,101</u>
Total net debt applicable to the limit as a percentage of debt limit	18.11%	19.77%	19.19%	18.95%	19.54%	19.20%	18.49%	17.38%	16.15%	15.00%

Source: Annual Debt Statements

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate</u>
2009	16,826	\$ 65,097	5.9%
2010	16,912	66,080	6.1%
2011	16,746	69,044	6.0%
2012	16,927	71,953	6.1%
2013	17,022	71,449	5.5%
2014	17,108	73,293	4.3%
2015	17,185	76,388	3.7%
2016	17,260	77,187	3.5%
2017	17,284	N/A	3.2%
2018	17,322 (E)	N/A	N/A

N/A - Not Available

(E) - Estimated

(1) Represents the County of Bergen per Capita Personal Income

Source: New Jersey State Department of Education

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

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

INFORMATION NOT AVAILABLE

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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	150.9	145.8	135.6	142.9	147.8	168.5	153.4	153.9	157.2	153.4
Special education	34.6	43.5	49.8	42.4	45.7	37.3	46.7	43.6	44.8	44.8
Other special education	13.0	18.0	25.0	8.0	8.4	10.1	5.8	5.8	5.8	5.8
Support Services:										
Student & instruction related services	45.2	51.8	55.9	58.1	57.9	42.7	65.8	65.8	69.4	68.2
General administration	3.0	3.0	3.6	3.6	3.6	3.6	4.9	3.6	4.0	3.0
School administrative services	33.1	19.0	18.0	18.0	18.0	18.0	20.0	18.0	18.0	18.0
Central services	6.3	6.4	5.4	5.4	6.4	5.4	6.0	5.6	6.0	6.0
Administrative Information Technology	2.0	2.0	2.3	2.3	2.3	2.3	2.3	1.3		
Plant operations and maintenance	20.4	21.4	22.4	11.5	12.0	10.5	6.5	13.3	6.5	7.6
Pupil transportation	1.1	1.1	1.1	1.1	1.4	0.2	0.1	0.1	0.1	0.1
Special Revenue Funds	-	-								
Food Service	2.0	4.0	2.0	1.4	1.4	1.4	1.4	0.6	0.4	0.4
Total	<u>311.6</u>	<u>316.0</u>	<u>321.1</u>	<u>294.7</u>	<u>304.9</u>	<u>300.0</u>	<u>312.9</u>	<u>311.6</u>	<u>312.2</u>	<u>307.3</u>

Source: District Personnel Records

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2009	2,431	\$ 33,187,535	\$ 13,652	-0.95%	213	11.4:1	11.1:1	2,391	2,299	1.27%	96.15%
2010	2,388	33,743,174	14,130	3.51%	221	11.1:1	10.5:1	2,361	2,259	-1.25%	95.68%
2011	2,354	33,324,080	14,156	0.18%	207	12.7:1	11.9:1	2,326	2,327	-1.48%	100.04%
2012	2,279	35,047,239	15,378	8.63%	212	10.8:1	10.6:1	2,255	2,175	-3.05%	96.45%
2013	2,252	36,674,818	16,285	5.90%	216	10.5:1	10.2:1	2,115	2,031	-6.21%	96.03%
2014	2,184	37,366,692	17,109	5.06%	209	10.7:1	10.2:1	1,940	1,868	-8.27%	96.29%
2015	2,110	38,884,863	18,429	7.71%	216	11.0:1	9.8:1	2,105	2,024	8.51%	96.15%
2016	2,103	40,378,103	19,200	4.19%	211	9.5:1	10.7:1	2,075	1,998	-1.43%	96.29%
2017	2,063	41,380,638	20,058	4.47%	213	9.2:1	10.4:1	2,058	1,975	-0.82%	95.97%
2018	1,969	42,202,660	21,434	6.86%	211	9.3:1	9.3:1	1,968	1,882	-4.37%	95.63%

Sources: District records

- Note:
- a Enrollment based on Total District Enrollment at the close of the school year.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	<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>
District Building										
<u>Elementary</u>										
Washington Elementary (1922)										
Square Feet	54,094	54,094	54,094	54,094	54,094	54,094	54,094	54,094	54,094	53,858
Capacity (Students)	408	408	408	408	408	408	408	408	408	408
Enrollment	444	420	433	417	411	386	355	347	328	330
Coolidge Elementary (1931)										
Square Feet	51,798	51,798	51,798	51,798	51,798	51,798	51,798	51,798	51,798	55,440
Capacity (Students)	685	685	685	685	685	685	685	685	685	685
Enrollment	374	354	339	329	329	344	342	340	321	309
Lincoln Elementary (1951)										
Square Feet	55,450	55,450	55,450	55,450	55,450	55,450	55,450	55,450	55,450	52,257
Capacity (Students)	496	496	496	496	496	496	496	496	496	496
Enrollment	362	403	367	356	340	321	311	313	335	323
Sicomac Elementary (1968)										
Square Feet	58,375	58,375	58,375	58,375	58,375	58,375	58,375	58,375	58,375	59,800
Capacity (Students)	449	449	449	449	449	449	449	449	449	449
Enrollment	386	374	361	329	336	331	317	292	289	288
<u>Middle</u>										
Eisenhower Middle School (1960)										
Square Feet	127,282	127,282	127,282	127,282	127,282	127,282	127,282	127,282	127,282	146,310
Capacity (Students)	960	960	960	960	960	960	960	960	960	960
Enrollment	838	815	831	827	815	774	785	783	790	719
<u>Other</u>										
Maintenance										
Square Feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	4,500	4,500
Board Office										
Square Feet	3,380	3,380	3,380	3,380	3,380	3,380	3,380	3,380	3,797	3,797
Out of District										
Enrollment	27	22	23	21	21	28	25	27	30	27
Totals										
Square Feet	353,179									
Capacity	2,998									
Enrollment	2,135									

Number of Schools at June 30, 2018

Elementary = 4

Middle School = 1

Other = 2

Source: District Records

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

	<u>Project # (s)</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>
School Facilities											
Coolidge E.S.	N/A	\$ 123,441	\$ 151,426	\$ 172,031	\$ 166,838	\$ 112,781	\$ 103,392	\$ 101,665	\$ 90,292	\$ 98,883	\$ 112,226
Lincoln E.S.	N/A	279,915	151,896	175,400	163,123	124,649	127,901	125,765	111,695	122,322	138,828
Sicomac E.S.	N/A	103,300	91,354	97,349	140,238	144,518	112,802	110,918	98,510	107,882	122,439
Washington E.S.	N/A	117,997	153,592	140,518	145,929	149,271	127,964	125,827	111,751	122,383	138,897
Eisenhower M.S.	N/A	195,228	210,509	211,531	341,808	292,680	259,114	254,787	226,284	247,813	281,252
Board of Education	N/A	3,705	15,659	12,894	8,280	16,484	3,725	3,663	3,253	3,562	4,042
Maintenance Bldg.	N/A	4,032	4,487	22,771	10,844	6,490	5,987	5,888	5,229	5,727	6,500
Total School Facilities		<u>\$ 827,618</u>	<u>\$ 778,923</u>	<u>\$ 832,494</u>	<u>\$ 977,060</u>	<u>\$ 846,873</u>	<u>\$ 740,885</u>	<u>\$ 728,513</u>	<u>\$ 647,014</u>	<u>\$ 708,572</u>	<u>\$ 804,184</u>

Source: District Records

Note:
Beginning in fiscal year 2001, the New Jersey State Department of Education required Districts to report maintenance expenditures by location.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF INSURANCE
JUNE 30, 2018
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group (NESBIG)		
Property - Blanket Building and Contents (Including Boiler and Machinery) \$	85,830,240	\$ 5,000
General Liability (Each Occurrence)	1,000,000	
Excess Liability (Each Occurrence and Aggregate)	9,000,000	
Automobile		
Liability	1,000,000	
Umbrella Excess Liability	50,000,000	
Environmental Impairment	4,000,000	15,000
Cyber Liability - (Per Claim)	1,000,000	25,000
Educators Legal Liability	1,000,000	
Employee Dishonesty Per Employee	100,000	5,000
Per Loss	500,000	100,000

Source: Wyckoff School District records.

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Wyckoff Township Public Schools
Wyckoff, 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 Wyckoff Township Public Schools as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Wyckoff Township Public Schools' basic financial statements and have issued our report thereon dated January 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Wyckoff Township Public Schools' 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

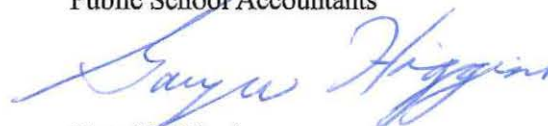
As part of obtaining reasonable assurance about whether the Wyckoff Township Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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.

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 Wyckoff Township Public Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wyckoff Township Public Schools' 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 W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
January 22, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Wyckoff Township Public Schools
Wyckoff, New Jersey

Report on Compliance for Each Major State Program

We have audited the Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' major state programs for the fiscal year ended June 30, 2018. The Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' compliance.

Opinion on Each Major State Program

In our opinion, the Wyckoff Township Public Schools 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 Wyckoff Township Public Schools 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 Wyckoff Township Public Schools' 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 Wyckoff Township Public Schools' 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.

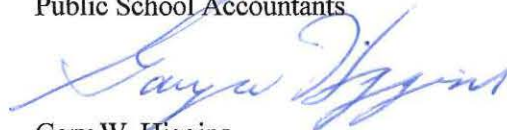
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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 Wyckoff Township Public Schools 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 22, 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 is 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 federal awards and 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 W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
January 22, 2019

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2017	Carrvoer	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2018			GAAP Receivable
											(Account Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education														
Title I, Part A	84.010	S010A170030	NCLB5920-18	7/1/17-6/30/18	\$ 39,508		\$ 25,746	\$ 20,207	\$ 50,016		\$ (19,301)	\$ 15,238		\$ (4,063)
Title I, Part A	84.010	S010A160030	NCLB5920-17	7/1/16-6/30/17	37,656	\$ (11,910)	(25,746)	37,656						
Title I, Part A	84.010	S010A150030	NCLB5920-16	7/1/15-6/30/16	42,741	(40,084)		40,084						
Title II, Part A	84.367A	S367A170029	NCLB5920-18	7/1/17-6/30/18	26,768		2,205		27,695		(26,768)	1,278		(25,490)
Title II, Part A - C/O	84.367A	S367A160029	NCLB5920-17	7/1/16-6/30/17	35,077	(2,647)	(2,205)	2,647			(2,205)			(2,205)
Title IV	84.424	S424A170031	NCLB5920-18	7/1/17-6/30/18	10,000			4,806	5,692		(5,194)	4,308		(886)
Temporary Emergency Impact Aid	84.398C	S938C18005	N/A	7/1/17-6/30/18	6,750				6,750		(6,750)	-		(6,750)
I.D.E.A. Part B - Basic	84.027	H027A170100	FT-5920-18	7/1/17-6/30/18	456,780		25,411	393,698	448,932		(63,082)	33,259		(29,823)
I.D.E.A. Part B - Basic C/O	84.027	H027A160100	FT-5920-17	7/1/16-6/30/17	464,962	(37,321)	(25,411)	62,732						
I.D.E.A. Part B, Preschool	84.173	H173A170114	PS-5920-18	7/1/17-6/30/18	23,472		1,511	21,853	23,364		(1,619)	1,619		-
I.D.E.A. Part B, Preschool C/O	84.173	H173A160114	PS-5920-17	7/1/16-6/30/17	23,615		(1,511)	1,511	-					
Special Education Cluster (IDEA)									472,296					
Total U.S. Department of Education						(91,962)	-	585,194	562,449	-	(124,919)	55,702	-	(69,217)
Total Federal Financial Assistance						\$ (91,962)	\$ -	\$ 585,194	\$ 562,449	\$ -	\$ (124,919)	\$ 55,702	\$ -	\$ (69,217)

Note - This schedule was not subject to an audit in accordance with U.S. Uniform Guidance.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
 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 at July 1, 2017			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Prior Year Cancelled Payables	Balance at June 30, 2018			MEMO	
				Deferred Revenue (Accts. Rec.)	Due to Grantor	Carryover					(Accounts Receivable)	Deferred Revenue/	Due to Grantor	GAAP Receivable	Combined Total Expenditures
State Department of Education															
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 831,160				\$ 773,371	\$ 831,160				\$ (57,789)		\$ 831,160	
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	745,645	(43,509)			43,509								
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	37,516				34,908	37,516				(2,608)		37,516	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	37,516	(2,189)			2,189								
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	21,080				19,614	21,080				(1,466)		21,080	
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	21,080	(1,230)			1,230								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	20,410				18,991	20,410				(1,419)		20,410	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	20,410	(1,191)			1,191								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	21,080				19,614	21,080				(1,466)		21,080	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	21,080	(1,230)			1,230								
State Aid Public Cluster								<u>931,246</u>							
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	59,410				55,280	59,410				(4,130)		59,410	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	59,410	(3,467)			3,467								
Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	296,809				263,733	296,809				(296,809)		296,809	
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	296,733	(263,733)			263,733								
Additional Non Public School Transp. Aid	18-495-034-5120-014	7/1/17-6/30/18	22,268				22,268					(22,268)		22,268	
Additional Non Public School Transp. Aid	17-495-034-5120-014	7/1/16-6/30/17	14,414	(14,414)			14,414								
Reimbursed TPAF Social Security	18-495-034-5094-003	7/1/17-6/30/18	1,257,110				1,257,110	1,257,110						1,257,110	
TPAF Pension - Normal	18-495-034-5094-002	7/1/17-6/30/18	2,512,017				2,512,017	2,512,017						2,512,017	
TPAF Pension PRM Contr.	18-495-034-5094-001	7/1/17-6/30/18	1,661,831				1,661,831	1,661,831						1,661,831	
TPAF Pension - LTDI	18-495-034-5094-004	7/1/17-6/30/18	3,901				3,901	3,901						3,901	
TPAF Pension - NCGI	18-495-034-5094-004	7/1/17-6/30/18	60,960				60,960	60,960						60,960	
Total General Fund				<u>(330,963)</u>	<u>-</u>	<u>-</u>	<u>6,748,560</u>	<u>6,805,552</u>	<u>-</u>	<u>-</u>	<u>(387,955)</u>	<u>-</u>	<u>-</u>	<u>(22,268)</u>	<u>6,805,552</u>
N.J. Nonpublic Aid															
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	21,692				21,692	18,448					\$ 3,244	18,448	
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	24,151		\$ 813				\$ 813						
Technology Initiative	18-100-034-5120-373	7/1/17-6/30/18	14,652				14,652	14,650					2	14,650	
Technology Initiative	17-100-034-5120-373	7/1/16-6/30/17	10,894		70				70						
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	40,158				40,158	40,158						40,158	
Security	18-100-034-5120-509	7/1/17-6/30/18	31,050				31,050	31,050						31,050	
Auxiliary Services															
Transportation	18-100-034-5120-068	7/1/17-6/30/18	15,575				15,575	15,575						15,575	
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	6,323				6,323	3,162					3,161	3,162	
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	5,482		2,833				2,833						
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	107,718				107,718	102,935					4,783	102,935	
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	102,927		2,866				2,866						
Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	5,165					5,165				(5,165)		5,165	
Auxiliary Services Cluster								<u>126,837</u>							
Handicapped Services															
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	52,062				52,062	41,149					10,913	41,149	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	19,642				19,642	19,195					447	19,195	
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	26,152		5,433				5,433						
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	43,692				43,692	37,190					6,502	37,190	
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	47,710		6,592				6,592						
Handicapped Services Cluster								<u>97,534</u>							
Total Special Revenue Fund				<u>-</u>	<u>18,607</u>	<u>-</u>	<u>352,564</u>	<u>328,677</u>	<u>18,607</u>	<u>-</u>	<u>(5,165)</u>	<u>-</u>	<u>29,052</u>	<u>(5,165)</u>	<u>328,677</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>(330,963)</u>	<u>18,607</u>	<u>-</u>	<u>7,101,124</u>	<u>7,134,229</u>	<u>18,607</u>	<u>-</u>	<u>(393,120)</u>	<u>-</u>	<u>29,052</u>	<u>(27,433)</u>	<u>7,134,229</u>
State Financial Assistance Not Subject to Single Audit Determination															
General Fund															
TPAF Pension - NCGI	18-495-034-5094-004	7/1/17-6/30/18	60,960				(60,960)	(60,960)						(60,960)	
TPAF Pension - LTDI	18-495-034-5094-004	7/1/17-6/30/18	3,901				(3,901)	(3,901)						(3,901)	
TPAF Pension - Normal	18-495-034-5094-002	7/1/17-6/30/18	2,512,017				(2,512,017)	(2,512,017)						(2,512,017)	
TPAF Pension PRM Contr.	18-495-034-5094-001	7/1/17-6/30/18	1,661,831				(1,661,831)	(1,661,831)						(1,661,831)	
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (330,963)</u>	<u>\$ 18,607</u>	<u>\$ -</u>	<u>\$ 2,862,415</u>	<u>\$ 2,895,520</u>	<u>\$ 18,607</u>	<u>\$ -</u>	<u>\$ (393,120)</u>	<u>\$ -</u>	<u>\$ 29,052</u>	<u>\$ (27,433)</u>	<u>\$ 2,895,520</u>

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**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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 Wyckoff Township Public Schools. 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 schedule of expenditures of state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting. These basis of accounting are described in Notes 1(D) 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 \$49,138 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		\$ 6,756,414	\$ 6,756,414
Special Revenue Fund	\$ 562,449	328,677	891,126
Total Awards Financial Assistance	<u>\$ 562,449</u>	<u>\$ 7,085,091</u>	<u>\$ 7,647,540</u>

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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

TPAF Social Security contributions in the amount of \$1,257,110 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 \$2,572,977, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,661,831 and TPAF Long-Term Disability Insurance in the amount of \$3,901 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.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

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

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

NOT APPLICABLE

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor's Results

State Awards Section

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

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X none reported

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

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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 Governing Auditing Standards.

THERE ARE NONE.

WYCKOFF TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE.

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**WYCKOFF TOWNSHIP PUBLIC SCHOOLS
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

THERE WERE NONE.