

**SCHOOL DISTRICT
OF
WOODBURY HEIGHTS**

**Woodbury Heights Board of Education
Woodbury Heights, New Jersey**

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015***

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Comprehensive Annual

Financial Report

of the

Woodbury Heights Board of Education

Woodbury Heights, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

***Woodbury Heights School District
Board of Education
Central Office***

Introductory Section

Woodbury Heights Elementary School District

100 Academy Avenue
Woodbury Heights, NJ 08097

Janis Gansert
Chief School Administrator

Gateway Business Services
Paul A. Whitman
Interim Board Secretary/School Bus. Admin.

December 17, 2015

Honorable President and
Members of the Board of Education
Woodbury Heights School District
County of Gloucester
Woodbury Heights, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Woodbury Heights School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate 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 District as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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, the MD & A, and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information, other MD & A, including budgetary comparison schedules and other supplementary information. 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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "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 and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

1. Reporting Entity and Its Services

Woodbury Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Woodbury Heights Board of Education and its school constitute the District's reporting entity.

1. Reporting Entity and Its Services (Concluded)

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for gifted and handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 221 students, which is 1 student less than the previous year's enrollment. The following details the changes in the student enrollment and the growth of the District over the last five years.

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	220.3	3.08%
2013-14	213.7	(4.38%)
2012-13	223.5	2.66%
2011-12	217.7	(1.22%)
2010-11	220.4	(6.29%)

2. Economic Condition and Outlook

The Borough of Woodbury Heights is experiencing a period of minimal development and little expansion. That trend is expected to continue through the short term. The Borough is also experiencing a period of moderate housing sales. The state and national economy are reflected in the employment base of the area. Municipal leaders are working diligently with Gloucester County Office of Economic Development to replace lost businesses and commercial ratables.

3. Major Initiatives

A. Current Year Accomplishments

Three District objectives are in place as follows: (1) to implement the Common Core Standards and prepare for the Partnership for the Assessment of College and Career (PARCC) assessments in English Language Arts and Mathematics; (2) to demonstrate academic and personal growth for every student through the use and application of formative and summative assessments; and (3) to increase the integration of technology applications and initiatives into daily practice to improve instructional practice and student achievement as evidenced in lesson plans and student work products.

In order to achieve the above objectives, the District is implementing the Progressive Math Initiative in grades 1 - 6. The following technology purchases were made to support this and other academic programs: (1) mobile Chrome Book labs for classroom use; (2) Measures of Academic Progress (MAP) assessment system; and (3) continued technology coach position to work with classroom teachers on the implementation of applications across the curriculum.

B. Future and Continuing Projects

The Board continues to focus its efforts on reducing costs to the District and community by increasing shared services. The District employs a single administrator. In this fiscal year, the District continued to contract with Gateway Regional High School to provide business office services. We continue to share many auxiliary services in purchasing, food service, child study team/social work, and curriculum coordination with the Gateway Regional sending districts. These coordinated efforts allow the District to provide comprehensive services while realizing significant financial benefits. Joint purchasing of goods and services is utilized whenever possible to benefit from quantity discounts.

4. 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 statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

5. Budgetary Controls

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. Accounting System and Reports

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD & A). This letter of transmittal is designed to complement the MD & A and should be read in connection with it. The District's MD & A can be found immediately following the report of the independent auditors.

8. Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District maintains liquid cash funds on deposit in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. Risk Management

The Board carries various forms of insurance, including, but not limited to, general liability, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland Joint Insurance Fund. Now, in the thirteenth year of operation, the JIF is performing very well, meeting and exceeding expectations.

10. Other Information

A. Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ball, Buckley and Seher, LLP, are the appointed District auditors. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is 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.

11. Acknowledgements

We would like to express our appreciation to the members of the Woodbury Heights School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office.

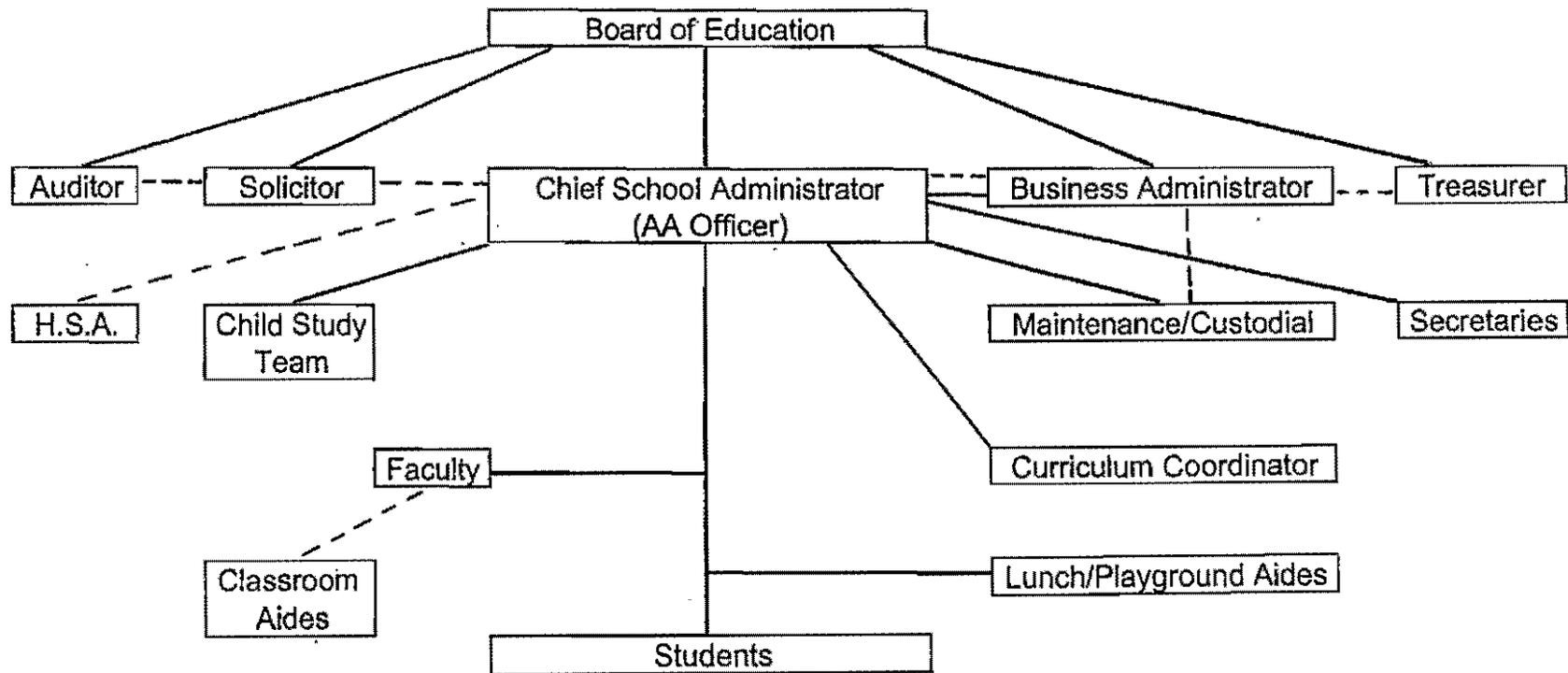
Respectfully submitted,

Janis Gansert
Chief School Administrator

Paul A. Whitman
Gateway Business Services
Interim Board Secretary/School Business
Administrator

**WOODBURY HEIGHTS BOARD OF EDUCATION
WOODBURY HEIGHTS, NEW JERSEY**

**ORGANIZATIONAL CHART
JUNE 30, 2015**



5

Direct Responsibility _____
Cooperative Responsibility - - - - -

**WOODBURY HEIGHTS BOARD OF EDUCATION
WOODBURY HEIGHTS, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

Term
Expires

Members of the Board of Education

Laurie Troccoli, President	2016
Kathleen Smith, Vice President	2015
Donetta Beatly	2017
John Morris	2017
Shelle McGovern	2017
Richard Gambale	2016
James Kelleher	2015

Other Officials

Janis Gansert, Chief School Administrator
Scott D. Henry, School Business Administrator/
Board Secretary
Charles J. Owens, Treasurer
Joseph Betley, Esquire, Solicitor

WOODBURY HEIGHTS BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Ball, Buckley and Seher, LLP
1301 North Broad Street
Woodbury, New Jersey 08096

Attorney

Joseph Betley, Esquire
Capehart & Scatchard, P.A.
8000 Midlantic Drive
Suite 300
Mount Laurel, New Jersey 08054

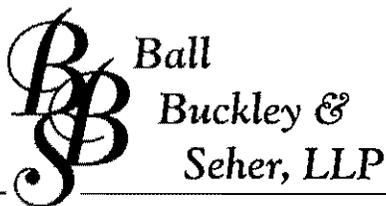
Official Depository

1st Colonial Community Bank
321 Broadway
Westville, New Jersey 08093

and

New Jersey Cash Management

Financial Section



CERTIFIED PUBLIC ACCOUNTANTS



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED
BY REQUIRED SUPPLEMENTARY INFORMATION AND SUPPLEMENTARY
SCHEDULE OF FEDERAL AND STATE AWARDS AND OTHER
SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Borough of Woodbury Heights School District
County of Gloucester
Woodbury Heights, 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 Board of Education of the Borough of Woodbury Heights School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Board of Education of the Borough of Woodbury Heights School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Borough of Woodbury Heights School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Woodbury Heights School District as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Because of the implementation of GASB Statement No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities has been restated, as discussed in Note 17 to the financial statements. 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, schedule of the District's proportionate share of the net pension liability, and schedule of the District's contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 Board of Education of the Borough of Woodbury Heights School District's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

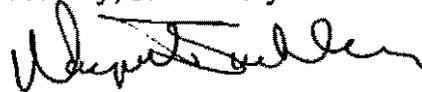
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015 on our consideration of the Board of Education of the Borough of Woodbury Heights School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants
Woodbury, New Jersey



Wayne W. Buckley
Licensed Public School Accountant No. 240

December 17, 2015

Required Supplementary Information - Part I

**BOROUGH OF WOODBURY HEIGHTS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2015**

This section of the Borough of Woodbury Heights School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-15) and the prior year (2013-14) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2014-15 fiscal year include the following:

- During the fiscal year ended June 30, 2015, the District was required to implement Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, see below discussion. In addition, the notes to the financial statements provide a more through discussion of the implementation of GASB Statement No. 68 and the effects to the financial statements.
- Total assets and deferred outflows of resources of the District were over its total liabilities and deferred inflows of resources by \$409,669.92 for governmental activities and \$12,936.20 for business-type activities (net position).
- Net position for governmental activities decreased by \$89,590.58 and net position for business-type activities decreased by \$3,781.76 from July 1, 2014 to June 30, 2015.
- The general fund, fund balance as of June 30, 2015 was \$765,541.52, an increase of \$87,559.43 when compared with the beginning balance as of July 1, 2014 of \$677,982.09.

Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor's Report, Required Supplementary Information which includes the Management's Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- The governmental funds statements tell us how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**Table 1
Major Features of the District-Wide and Fund Financial Statements**

	<u>District-Wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position	Statement of changes in fiduciary net position
			Statement of cash flows	
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources - are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* - The District charges fees to customers to help it cover the costs of certain services it provides. The District's Child Care Program (Project Safekeep) is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Net Position. The District's net position for the fiscal years ended June 30, 2014 and 2015 are reflected in Table 2.

Table 2
Net Position

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 934,370.53	\$ 12,936.20	\$ 947,306.73	\$ 854,402.38	\$ 16,717.96	\$ 871,120.34
Capital assets, net	597,298.03	0.00	597,298.03	787,717.25	0.00	787,717.25
Total assets	<u>1,531,668.56</u>	<u>12,936.20</u>	<u>1,544,604.76</u>	<u>1,642,119.63</u>	<u>16,717.96</u>	<u>1,658,837.59</u>
Deferred outflow of resources - related to pensions	54,217.00	0.00	54,217.00	0.00	0.00	0.00
Liabilities:						
Current and other liabilities	165,643.65	0.00	165,643.65	149,300.20	0.00	149,300.20
Long-term liabilities:						
Due within one year	20,000.00	0.00	20,000.00	27,560.51	0.00	27,560.51
Due in more than one year	952,786.99	0.00	952,786.99	331,443.42	0.00	331,443.42
Total liabilities	<u>1,138,430.64</u>	<u>0.00</u>	<u>1,138,430.64</u>	<u>508,304.13</u>	<u>0.00</u>	<u>508,304.13</u>
Deferred inflow of resources - related to pensions	37,785.00	0.00	37,785.00			
Net position:						
Net investment in capital assets	299,782.03	0.00	299,782.03	462,640.74	0.00	462,640.74
Restricted for:						
Capital projects	31,193.56	0.00	31,193.56	31,193.60	0.00	31,193.60
Debt service	1.92	0.00	1.92	1.28	0.00	1.28
Other purposes	615,661.52	0.00	615,661.52	514,223.09	0.00	514,223.09
Unrestricted	<u>(536,969.11)</u>	<u>12,936.20</u>	<u>(524,032.91)</u>	<u>125,756.79</u>	<u>16,717.96</u>	<u>142,474.75</u>
	409,669.92	12,936.20	422,606.12	1,133,815.50	16,717.96	1,150,533.46
Restatement to record the District's net pension liability and pension related deferred outflows of resources per GASB Statement No. 68	0.00	0.00	0.00	(634,555.00)	0.00	(634,555.00)
Total net position	<u>\$ 409,669.92</u>	<u>\$ 12,936.20</u>	<u>\$ 422,606.12</u>	<u>\$ 499,260.50</u>	<u>\$ 16,717.96</u>	<u>\$ 515,978.46</u>

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$1,233,262.46 (operating grants and contributions - \$1,184,439.16 and charges for services \$48,823.30).
- General revenues, special items, extraordinary items, and transfers amounted to \$3,378,897.69.
- Net expenditures were \$3,472,270.03.
- Total District revenues and beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$422,606.12 as of June 30, 2015.
- Revenues (\$3,378,897.69) plus beginning position (\$515,978.46) less net expenditures (\$3,472,270.03) equals net position of \$422,606.12.

Table 3 provides an illustration of the impact of the District's net position for the implementation of GASB Statement No. 68.

Table 3
Statement of Net Position - Effect on Pension Related Items
At June 30, 2015 and 2014

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Deferred outflows related to pensions	\$ 54,217.00	\$ 0.00	\$ 54,217.00	\$ 0.00	\$ 0.00	\$ 0.00
Less: net pension liability	(634,027.00)	0.00	(634,027.00)	(634,555.00)	0.00	(634,555.00)
Less: deferred inflows related to pensions	(37,785.00)	0.00	(37,785.00)	0.00	0.00	0.00
Total	\$ (617,595.00)	\$ 0.00	\$ (617,595.00)	\$ (634,555.00)	\$ 0.00	\$ (634,555.00)

Change in Net Position. Net position for governmental type activities increased and business-type activities decreased from June 30, 2014 to June 30, 2015 as reflected in Table 4.

Table 4
Changes in Net Position

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 0.00	\$ 48,823.30	\$ 48,823.30	\$ 0.00	\$ 44,165.95	\$ 44,165.95
Operating grants and contributions	1,184,439.16	0.00	1,184,439.16	692,294.67	0.00	692,294.67
General revenues:						
Property taxes	2,460,268.00	0.00	2,460,268.00	2,389,209.00	0.00	2,389,209.00
Grants and entitlements	983,068.00	0.00	983,068.00	1,006,791.00	0.00	1,006,791.00
Tuition	18,000.18	0.00	18,000.18	0.00	0.00	0.00
Miscellaneous	(82,438.49)	0.00	(82,438.49)	(13,791.52)	0.00	(13,791.52)
Total revenues	4,563,336.85	48,823.30	4,612,160.15	4,074,503.15	44,165.95	4,118,669.10
Expenses:						
Program expenses:						
Instruction	2,026,049.42	0.00	2,026,049.42	1,983,443.05	0.00	1,983,443.05
Tuition	198,713.36	0.00	198,713.36	207,477.57	0.00	207,477.57
Student and instruction related services	503,262.01	0.00	503,262.01	503,894.04	0.00	503,894.04
General administration	178,201.78	0.00	178,201.78	177,050.52	0.00	177,050.52
School administration services	39,529.78	0.00	39,529.78	39,618.10	0.00	39,618.10
Central services	80,306.28	0.00	80,306.28	81,466.69	0.00	81,466.69
Plant operations and maintenance	194,176.75	0.00	194,176.75	207,719.35	0.00	207,719.35
Pupil transportation	79,118.09	0.00	79,118.09	66,621.62	0.00	66,621.62
Unallocated benefits	1,222,139.20	0.00	1,222,139.20	723,230.35	0.00	723,230.35
Interest on long-term debt	11,967.69	0.00	11,967.69	12,738.00	0.00	12,738.00
Unallocated depreciation	118,969.04	0.00	118,969.04	38,007.98	0.00	38,007.98
Capital outlay	494.03	0.00	494.03	494.00	0.00	494.00
Enterprise operation	0.00	52,605.06	52,605.06	0.00	41,573.06	41,573.06
Total expenses	4,652,927.43	52,605.06	4,705,532.49	4,041,761.27	41,573.06	4,083,334.33
Increase (decrease) in net position	(89,590.58)	(3,781.76)	(93,372.34)	32,741.88	2,592.89	35,334.77
Beginning net position	499,260.50	16,717.96	515,978.46	1,101,073.62	14,125.07	1,115,198.69
Ending net position, prior to restatement	409,669.92	12,936.20	422,606.12	1,133,815.50	16,717.96	1,150,533.46
Restatement to record the District's net pension liability and pension related deferred outflows of resources per GASB Statement No. 68	0.00	0.00	0.00	(634,555.00)	0.00	(634,555.00)
Ending net position	\$ 409,669.92	\$ 12,936.20	\$ 422,606.12	\$ 499,260.50	\$ 16,717.96	\$ 515,978.46

Total revenues for the District were \$4,612,160.15. Governmental funding was the source of 47.00% of the District's revenues. This is made up of funds from the State of New Jersey and Federal sources.

Property taxes of \$2,460,268.00 provided 53.34% of revenues.

Other miscellaneous revenues of (\$15,615.11) (net of position items) represent- 0.34% of the District revenues. Miscellaneous revenue was primarily provided from interest and a prior year restatement of deferred revenue.

In 2014-15, the District's governmental activities expenditures increased by \$611,166.16 or 15.12%. \$408,349.15 or 10.10% of this increase was attributable to the implementation of GASB Statement No. 68 in fiscal year 2014-15.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$2,224,762.78 (47.8%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$582,380.10 (12.5%) of total expenditures. Total expenditures exceeded revenues for governmental activities, decreasing net position \$89,590.58 from the beginning balance at July 1, 2014.

Activity Descriptions

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School administrative and general and business administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from student activities as provided by State law and Board Policy.

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$796,737.00. At June 30, 2014 the fund balance was \$709,176.97.

All governmental funds had total revenues of \$4,247,082.69 and total expenditures of \$4,159,522.62.

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 budgeted fund is the General Fund.

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 6 including pupil transportation activities and capital outlay projects.

Table 5 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**Table 5
Comparison of Revenues**

	<u>2015</u>	<u>2014</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Increase/ (Decrease)</u>
Local sources:				
Local tax levy	\$ 2,460,268.00	\$ 2,389,209.00	\$ 71,059.00	2.97%
Tuition	18,000.18	0.00	18,000.18	100.00%
Miscellaneous	2,424.50	3,083.51	(659.01)	-21.37%
Government sources:				
State sources	1,642,086.12	1,564,360.01	77,726.11	4.97%
Federal sources	124,303.89	134,725.66	(10,421.77)	-7.74%
Total	<u>\$ 4,247,082.69</u>	<u>\$ 4,091,378.18</u>	<u>\$ 155,704.51</u>	<u>3.81%</u>

One of the primary sources of funding for the District is received from local property taxes and accounted for 57.93% of total revenues. State aid accounted for 38.66% of total revenues.

Total governmental fund revenues increased by \$155,704.51, or 3.81% from the previous year. The major components of this increase were increases in local property tax levy, tuition, state aid offset by decreases in federal aid and miscellaneous revenues.

Table 6 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table 6
Comparison of Expenditures

	2015	2014	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction:				
Regular	\$ 1,480,091.75	\$ 1,448,910.02	\$ 31,181.73	2.15%
Special education	398,205.22	367,099.44	31,105.78	8.47%
Other	153,257.36	144,123.39	9,133.97	6.34%
Support services:				
Tuition	198,713.36	207,477.57	(8,764.21)	-4.22%
Student and instruction related services	503,262.01	503,894.04	(632.03)	-0.13%
General administration	178,201.78	175,934.77	2,267.01	1.29%
School administration	39,529.78	39,618.10	(88.32)	-0.22%
Central services	80,306.28	81,466.69	(1,160.41)	-1.42%
Plant operations and maintenance	193,532.55	207,392.02	(13,859.47)	-6.68%
Pupil transportation	79,118.09	66,621.62	12,496.47	18.76%
Unallocated benefits	461,647.36	435,076.05	26,571.31	6.11%
TPAF and FICA reimbursements	352,142.69	288,154.30	63,988.39	22.21%
Capital outlay	9,290.03	35,565.12	(26,275.09)	-73.88%
Debt service	32,224.36	32,994.36	(770.00)	-2.33%
Total	<u>\$ 4,159,522.62</u>	<u>\$ 4,034,327.49</u>	<u>\$ 125,195.13</u>	<u>3.10%</u>

Total governmental fund expenditures increased \$125,195.13 or 3.10% from the previous year. This increase was primarily due to the increased instruction, and employee benefit cost offset by reductions in pupil transportation and capital outlay in the current year.

The District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2015 the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$32,224.36, of which \$32,225.00 in funding was provided by the local tax levy.

PROJECT SAFEKEEP ENTERPRISE FUND

The Project Safekeep Fund had net position of \$12,936.20 as of June 30, 2015. This reflects an increase of \$3,781.76 from June 30, 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are individual items purchased, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2015, the District had capital assets allocated to governmental activities with a book value of \$597,298.03. This consists of a broad range of capital assets, including land, buildings, and equipment. Total depreciation expense for the year was \$121,668.84.

Table 7 summarizes capital assets.

Table 7
Capital Assets (Net of Depreciation)
At June 30, 2015 and 2014

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land, site, and site improvements	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Building and improvements	561,884.05	0.00	561,884.05	728,952.03	0.00	728,952.03
Furniture and equipment	35,413.98	0.00	35,413.98	58,765.22	0.00	58,765.22
Total	<u>\$ 597,298.03</u>	<u>\$ 0.00</u>	<u>\$ 597,298.03</u>	<u>\$ 787,717.25</u>	<u>\$ 0.00</u>	<u>\$ 787,717.25</u>

Long-Term Obligations

At year-end, the District had \$297,516.00 in general obligation bonds outstanding, a decrease of \$20,000.00 from last year - as shown below. The District does not anticipate incurring any new long-term debt at this time.

The District also had a \$41,243.99 liability for compensated absences allocated to governmental activities. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 8 summarizes long-term obligations.

Table 8
Long-Term Obligations
At June 30, 2015 and 2014

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Roofing and HVAC project bonds	\$ 297,516.00	\$ 0.00	\$ 297,516.00	\$ 317,516.00	\$ 0.00	\$ 317,516.00
Obligations under capital lease	0.00	0.00	0.00	7,560.51	0.00	7,560.51
Net pension liability*	634,027.00	0.00	634,027.00	634,555.00	0.00	634,555.00
Compensated absences	41,243.99	0.00	41,243.99	33,927.42	0.00	33,927.42
Total	\$ 972,786.99	\$ 0.00	\$ 972,786.99	\$ 993,558.93	\$ 0.00	\$ 993,558.93

*2014 - Restated.

For the Future

Woodbury Heights Elementary School is set primarily in a residential community, with little availability for growth. This trend is expected to continue. The School District will continue to provide a full range of educational services appropriate to grade levels K through 6. These will continue to include regular, as well as special services for gifted and handicapped students. The District will continue to look for the most cost efficient and effective manner to provide the services for its students. The sharing of many auxiliary services and joint purchasing of goods and services will be utilized to reduce costs to the District and community while still maintaining a high level of educational services to the students.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Paul A. Whitman, Interim Board Secretary/School Business Administrator at Gateway Business Services, 775 Tanyard Road, Woodbury Heights, NJ 08097.

Basic Financial Statements

District-Wide Financial Statements

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 494,014.38	\$ 12,936.20	\$ 506,950.58
Receivables, net	291,992.28	0.00	291,992.28
Restricted assets:			
Cash and cash equivalents	148,363.87	0.00	148,363.87
Depreciable capital assets, net	597,298.03	0.00	597,298.03
Total assets	<u>1,531,668.56</u>	<u>12,936.20</u>	<u>1,544,604.76</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	<u>54,217.00</u>	<u>0.00</u>	<u>54,217.00</u>
LIABILITIES:			
Accrued interest	3,818.12	0.00	3,818.12
Payable to state government	36,447.00	0.00	36,447.00
Payable to federal government	7,048.51	0.00	7,048.51
Unearned revenue	25,829.55	0.00	25,829.55
Accounts payable	92,500.47	0.00	92,500.47
Noncurrent liabilities:			
Due within one year	20,000.00	0.00	20,000.00
Due beyond one year	952,786.99	0.00	952,786.99
Total liabilities	<u>1,138,430.64</u>	<u>0.00</u>	<u>1,138,430.64</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	<u>37,785.00</u>	<u>0.00</u>	<u>37,785.00</u>
NET POSITION:			
Net investment in capital assets	299,782.03	0.00	299,782.03
Restricted for:			
Capital projects	31,193.56	0.00	31,193.56
Debt service	1.92	0.00	1.92
Other purposes	615,661.52	0.00	615,661.52
Unrestricted	<u>(536,969.11)</u>	<u>12,936.20</u>	<u>(524,032.91)</u>
Total net position	<u>\$ 409,669.92</u>	<u>\$ 12,936.20</u>	<u>\$ 422,606.12</u>

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue And Changes In Net Assets		
		Charges For Services	Operating Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 1,474,586.84	\$ 0.00	\$ 320,312.16	\$ (1,154,274.68)	\$ 0.00	\$ (1,154,274.68)
Special education	398,205.22	0.00	0.00	(398,205.22)	0.00	(398,205.22)
Other instruction	153,257.36	0.00	0.00	(153,257.36)	0.00	(153,257.36)
Support services:						
Tuition	198,713.36	0.00	0.00	(198,713.36)	0.00	(198,713.36)
Student and instruction related services	503,262.01	0.00	110,867.16	(392,394.85)	0.00	(392,394.85)
General administration	178,201.78	0.00	0.00	(178,201.78)	0.00	(178,201.78)
School administrative services	39,529.78	0.00	0.00	(39,529.78)	0.00	(39,529.78)
Central services	80,306.28	0.00	0.00	(80,306.28)	0.00	(80,306.28)
Plant operations and maintenance	194,176.75	0.00	0.00	(194,176.75)	0.00	(194,176.75)
Pupil transportation	79,118.09	0.00	0.00	(79,118.09)	0.00	(79,118.09)
Unallocated benefits	1,222,139.20	0.00	753,259.84	(468,879.36)	0.00	(468,879.36)
Interest on long-term debt	11,967.69	0.00	0.00	(11,967.69)	0.00	(11,967.69)
Capital outlay	494.03	0.00	0.00	(494.03)	0.00	(494.03)
Unallocated depreciation	118,969.04	0.00	0.00	(118,969.04)	0.00	(118,969.04)
Total governmental activities	4,652,927.43	0.00	1,184,439.16	(3,468,488.27)	0.00	(3,468,488.27)
Business-type activities:						
Latchkey	52,605.06	48,823.30	0.00	0.00	(3,781.76)	(3,781.76)
Total business-type activities	52,605.06	48,823.30	0.00	0.00	(3,781.76)	(3,781.76)
Total primary government	\$ 4,705,532.49	\$ 48,823.30	\$ 1,184,439.16	(3,468,488.27)	(3,781.76)	(3,472,270.03)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				2,428,043.00	0.00	2,428,043.00
Property taxes, levied for debt service, net				32,225.00	0.00	32,225.00
Federal and state aid not restricted				983,068.00	0.00	983,068.00
Tuition				18,000.18	0.00	18,000.18
Investment earnings				2,038.30	0.00	2,038.30
Miscellaneous income				386.20	0.00	386.20
Prior period adjustment				(0.04)	0.00	(0.04)
Prior period adjustment - fixed assets				(77,546.38)	0.00	(77,546.38)
Long-term debt:						
Compensated absences				(7,316.57)	0.00	(7,316.57)
Total general revenues, special items, extraordinary items, and transfers				3,378,897.69	0.00	3,378,897.69
Change in net position				(89,590.58)	(3,781.76)	(93,372.34)
Net position - beginning (restated)				499,260.50	16,717.96	515,978.46
Net position - ending				\$ 409,669.92	\$ 12,936.20	\$ 422,606.12

The accompanying notes to financial statements are an integral part of this statement.

Fund Financial Statements

WOODBURY HEIGHTS SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 658,711.05	\$ 148,356.95	\$ 0.00	\$ 1.92	\$ 807,069.92
Interfund accounts receivable	116,274.77	0.00	0.00	0.00	116,274.77
Receivables from other governments	6,089.77	60,337.19	216,681.00	0.00	283,107.96
Accounts receivable other	9,298.00	0.00	0.00	0.00	9,298.00
Total assets	\$ 790,373.59	\$ 208,694.14	\$ 216,681.00	\$ 1.92	\$ 1,215,750.65
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Cash deficit	\$ 0.00	\$ 0.00	\$ 164,691.67	\$ 0.00	\$ 164,691.67
Accounts payable	24,418.39	43,890.08	0.00	0.00	68,308.47
Interfund accounts payable	413.68	116,274.77	0.00	0.00	116,688.45
Payable to state government	0.00	36,447.00	0.00	0.00	36,447.00
Payable to federal government	0.00	7,048.51	0.00	0.00	7,048.51
Unearned revenue	0.00	5,033.78	20,795.77	0.00	25,829.55
Total liabilities	24,832.07	208,694.14	185,487.44	0.00	419,013.65
Fund balances:					
Restricted for:					
Excess surplus - current year	313,037.24	0.00	0.00	0.00	313,037.24
Excess surplus- prior year- designated for subsequent year's expenditures	297,976.09	0.00	0.00	0.00	297,976.09
Capital reserve account	5.00	0.00	0.00	0.00	5.00
Capital projects fund	0.00	0.00	31,193.56	0.00	31,193.56
Debt service fund	0.00	0.00	0.00	1.92	1.92
Assigned to:					
Designated by the BOE for subsequent year's expenditures	337.91	0.00	0.00	0.00	337.91
Other purposes	4,305.28	0.00	0.00	0.00	4,305.28
Unassigned:					
General fund	149,880.00	0.00	0.00	0.00	149,880.00
Total fund balances	765,541.52	0.00	31,193.56	1.92	796,737.00
Total liabilities and fund balances	\$ 790,373.59	\$ 208,694.14	\$ 216,681.00	\$ 1.92	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,999,211.02 and the accumulated depreciation \$1,401,192.99	597,298.03
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)	(338,759.99)
Interest on long-term debt in the statement of activities is accrued, regardless of when due	(3,818.12)
Net pension liability	(634,027.00)
Accounts payable related to the April 1, 2016 required PERS pension contribution that is not to be liquidated with current financial resources	(24,192.00)
Deferred outflows of resources - related to pensions	54,217.00
Deferred inflows of resources - related to pensions	(37,785.00)
Net assets of governmental activities	\$ 409,669.92

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 2,428,043.00	\$ 0.00	\$ 0.00	\$ 32,225.00	\$ 2,460,268.00
Tuition	18,000.18	0.00	0.00	0.00	18,000.18
Miscellaneous	2,424.50	0.00	0.00	0.00	2,424.50
Total local sources	2,448,467.68	0.00	0.00	32,225.00	2,480,692.68
State sources	1,335,210.69	306,875.43	0.00	0.00	1,642,086.12
Federal sources	0.00	124,303.89	0.00	0.00	124,303.89
Total revenues	3,783,678.37	431,179.32	0.00	32,225.00	4,247,082.69
EXPENDITURES:					
Current:					
Regular instruction	1,159,779.59	320,312.16	0.00	0.00	1,480,091.75
Special education instruction	398,205.22	0.00	0.00	0.00	398,205.22
Other instruction	153,257.36	0.00	0.00	0.00	153,257.36
Support services and undistributed costs:					
Tuition	198,713.36	0.00	0.00	0.00	198,713.36
Student and instruction related services	392,394.85	110,867.16	0.00	0.00	503,262.01
General administration	178,201.78	0.00	0.00	0.00	178,201.78
School administrative services	39,529.78	0.00	0.00	0.00	39,529.78
Central services	80,306.28	0.00	0.00	0.00	80,306.28
Plant operations and maintenance	193,532.55	0.00	0.00	0.00	193,532.55
Pupil transportation	79,118.09	0.00	0.00	0.00	79,118.09
Employee benefits	813,790.05	0.00	0.00	0.00	813,790.05
Debt service:					
Principal	0.00	0.00	0.00	20,000.00	20,000.00
Interest	0.00	0.00	0.00	12,224.36	12,224.36
Capital outlay	9,290.03	0.00	0.00	0.00	9,290.03
Total expenditures	3,696,118.94	431,179.32	0.00	32,224.36	4,159,522.62
Excess (deficiency) of revenues over (under) expenditures	87,559.43	0.00	0.00	0.64	87,560.07
Other financing sources (uses):					
Prior period adjustment	0.00	0.00	(0.04)	0.00	(0.04)
Net change in fund balances	87,559.43	0.00	(0.04)	0.64	87,560.03
Fund balance - July 1	677,982.09	0.00	31,193.60	1.28	709,176.97
Fund balance - June 30	\$ 765,541.52	\$ 0.00	\$ 31,193.56	\$ 1.92	\$ 796,737.00

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2015

Total net change in fund balances - governmental funds
(from B-2) \$ 87,560.03

Amounts reported for governmental activities in the
statement of activities (A-2) 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 capital outlays exceeded
depreciation in the period.

Depreciation expense	\$ (121,668.84)	
Capital outlays	<u>8,796.00</u>	(112,872.84)

Repayment of bond principal is an expenditure
in the governmental funds, but the repayment reduces
long-term liabilities in the statement of net position
and is not reported in the statement of activities.

Bond principal	20,000.00	
Prior period adjustment	(77,546.38)	
Capital lease	<u>7,560.51</u>	(49,985.87)

In the statement of activities, certain operating
expenses, e.g., compensated absences (vacations) are
measured by the amounts earned during the year. In
the governmental funds, however, expenditures for
these items are reported in the amount of financial
resources used (paid). When the earned amount
exceeds the paid amount, the difference is reduction in
the reconciliation; when the paid amount exceeds
the earned amount the difference is an addition to the
reconciliation.

(7,316.57)

In the statement of activities, interest on long-term
debt in the statement of activities is accrued,
regardless of when due. In the governmental funds,
interest is reported when due. The accrued interest
is an addition in the reconciliation.

256.67

Governmental funds report District pension contributions
as expenditures. However, in the statement of activities
the cost of pension benefits earned is reported as pension
expense. This is the amount by which pension benefits
earned exceeded the District's pension contributions in the
current period.

(7,232.00)

Change in net position of governmental activities	\$	<u><u>(89,590.58)</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 12,936.20
Total current assets	<u>12,936.20</u>
Noncurrent assets:	
Equipment	2,664.73
Less: accumulated depreciation	<u>(2,664.73)</u>
Total noncurrent assets	<u>0.00</u>
Total assets	<u><u>\$ 12,936.20</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 0.00
Total current liabilities	<u>0.00</u>
Total liabilities	<u><u>\$ 0.00</u></u>
NET POSITION:	
Unrestricted	\$ 12,936.20
Total net position	<u><u>\$ 12,936.20</u></u>

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds
OPERATING REVENUES:	
Local sources:	
Project safekeep fees	\$ 48,823.30
Total operating revenues	48,823.30
OPERATING EXPENSES:	
Salaries and benefits	40,049.60
Supplies and materials	12,555.46
Total operating expenses	52,605.06
Operating income (loss)/change in net position	(3,781.76)
Total net position - beginning	16,717.96
Total net position - ending	\$ 12,936.20

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 48,823.30
Payments to employees	(40,049.60)
Payments to suppliers	<u>(12,555.46)</u>
Net cash provided by (used for) operating activities	<u>(3,781.76)</u>
Net increase (decrease) in cash and cash equivalents	(3,781.76)
Balances - beginning of year	<u>16,717.96</u>
Balances - end of year	<u><u>\$ 12,936.20</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (3,781.76)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase/(decrease) in accounts payable	<u>0.00</u>
Total adjustments	<u>0.00</u>
Net cash provided by (used for) operating activities	<u><u>\$ (3,781.76)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

		Agency Fund
ASSETS:		
Cash and cash equivalents	\$	36,662.97
Interfund accounts receivable		413.68
Total assets	\$	37,076.65
LIABILITIES:		
Due to student groups	\$	13,709.16
Payroll deductions and withholdings		23,367.49
Total liabilities		37,076.65
Total liabilities and fund balances	\$	37,076.65

The accompanying notes to financial statements are an integral part of this statement.

Notes To The Financial Statements

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity/Component Units

The Woodbury Heights School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 7 members elected to three-year terms. The purpose of the District is to educate students in grades K - 6. The District had an approximate enrollment at June 30, 2015 of 221 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District has determined that there are no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 applicants who purchase, use, or directly benefit from goods, services, or privileges 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types" as follows:

Governmental Funds

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that the general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government (other than major capital projects, debt service, or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisitions, construction, and improvement programs.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of net income, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Concluded)

Proprietary Funds (Concluded)

Enterprise Funds - The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District's enterprise funds are comprised of a latchkey program entitled "Project Safekeep".

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Project safekeep fund:
Equipment - 10 years

Fiduciary Funds

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

D. Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus (Concluded)

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Concluded)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and approved by the State of New Jersey Department of Education if they are within the CAP limitations. During the current fiscal year, the District was within the CAP limitations and its budget was approved by State of New Jersey Department of Education. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last two June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis 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 budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

H. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

I. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2014-15 and 2013-14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

L. Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods and services rendered to/from a particular fund in the District and that are due within one year.

These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfund receivable and/or interfund payable on the statement of net position.

N. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

- Land and improvements - 10-20 years (governmental activities)
- Buildings and improvements - 20-50 years (governmental activities)
- Machinery and equipment - 5-10 years (governmental and business-type activities)

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are recorded for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

P. Pensions

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 Public Employees' Retirement System (PERS) and the additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Q. Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the District's proportion of expenses and liabilities to the pension as a whole, differences between the District's pension contribution and its proportionate share of contributions, and the District's pension contributions subsequent to the pension valuation measurement date.

R. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

T. Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets

This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvements of those assets.

Restricted

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or law or regulations of other governments.

Unrestricted

Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

U. Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District's classifications, and policies for determining such classifications, are as follows:

Nonspendable

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Fund Balance (Concluded)

Restricted

The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned

The assigned fund balance classification includes amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balance first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

V. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for the school age child care program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

X. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Y. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. As a result of adopting such statements, the District was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to its defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$634,555.00, and was recognized as a restatement of the District's June 30, 2014 net position on the statement of activities (see Note 17).

Recently Issued Accounting Pronouncements

The GASB has issued the following statements which will become effective in future fiscal years as shown below:

GASB Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The statement will become effective for the District in fiscal year 2016. Management has not yet determined the impact of this statement on the financial statements.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The statement will become effective for the District in fiscal year 2016. Management does not expect this statement will have an impact on the financial statements.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Y. Impact of Recently Issued Accounting Principles (Concluded)

Recently Issued Accounting Pronouncements (Concluded)

GASB Statement No. 74, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans. The objective of this statement is to improve the usefulness of information about post-employment benefits other than pensions (other post-employment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The statement will become effective for the District in fiscal year 2017. Management does not expect this statement will have an impact on the financial statements.

GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment 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. The statement will become effective for the District in fiscal year 2018. Management has not yet determined the impact of this statement on the financial statements.

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The GAAP hierarchy consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The statement will become effective for the District in fiscal year 2016. Management does not expect this statement will have an impact on the financial statements.

GASB Statement No. 77, Tax Abatement Disclosures. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This statement will become effective for the District in fiscal year 2017. Management does not expect this statement will have an impact on the notes to the financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. Although the District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 - CASH AND CASH EQUIVALENTS (Concluded)

Custodial Credit Risk Related to Deposits (Concluded)

As of June 30, 2015, the District's bank balances of \$765,692.72 were exposed to custodial credit risk as follows:

Insurance	\$	250,000.00
Uninsured and collateralized with securities held by pledging financial institutions		<u>515,692.72</u>
	\$	<u>765,692.72</u>

New Jersey Cash Management Fund

During the fiscal year, the District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2015, the District's deposits with the New Jersey Cash Management Fund were \$82,988.51.

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$1.00 in the 2000-01 capital outlay budget, which was certified for taxes and for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District 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 (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the excess 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$	5.00
Interest earnings		<u>-</u>
Ending balance, June 30, 2015	\$	<u>5.00</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects is \$481,000.00.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year-end for the District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
State	\$ 6,089.77	\$ 15,819.00	\$ 216,681.00	\$ 238,589.77
Federal	<u>-.</u>	<u>44,518.19</u>	<u>-.</u>	<u>44,518.19</u>
Total	<u>\$ 6,089.77</u>	<u>\$ 60,337.19</u>	<u>\$ 216,681.00</u>	<u>\$ 283,107.96</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance as of June 30, 2014	Additions	Disposals	Adjustments	Balance as of June 30, 2015
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total capital assets, not being depreciated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Capital assets, being depreciated:					
Site and site improvements	15,802.11	0.00	0.00	0.00	15,802.11
Buildings and building improvements	1,691,975.81	0.00	0.00	125.00	1,692,100.81
Machinery and equipment	299,170.09	8,796.00	16,657.99	0.00	291,308.10
Total at historical cost	<u>2,006,948.01</u>	<u>8,796.00</u>	<u>16,657.99</u>	<u>125.00</u>	<u>1,999,211.02</u>
Less accumulated depreciation:					
Site and site improvements	(15,802.11)	0.00	0.00	0.00	(15,802.11)
Buildings and building improvements	(963,023.78)	(116,650.37)	0.00	(50,542.61)	(1,130,216.76)
Machinery and equipment	(240,404.87)	(5,018.47)	(16,657.99)	(27,128.77)	(255,894.12)
Total accumulated depreciation	<u>(1,219,230.76)</u>	<u>(121,668.84)</u>	<u>(16,657.99)</u>	<u>(77,671.38)</u>	<u>(1,401,912.99)</u>
Total capital assets, being depreciated, net	<u>787,717.25</u>	<u>(112,872.84)</u>	<u>0.00</u>	<u>(77,546.38)</u>	<u>597,298.03</u>
Governmental activities capital assets, net	<u>\$ 787,717.25</u>	<u>\$ (112,872.84)</u>	<u>\$ 0.00</u>	<u>\$ (77,546.38)</u>	<u>\$ 597,298.03</u>
Business-type activities:					
Capital assets, being depreciated:					
Machinery and equipment	\$ 2,664.73	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,664.73
Less accumulated depreciation	(2,664.73)	0.00	0.00	0.00	(2,664.73)
Business-type activities capital assets, net	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Depreciation expense in the amount of \$121,668.84 was charged to governmental functions as follows:

Regular instruction	\$ 2,055.60
Plant operations and maintenance	644.20
Unallocated	<u>118,969.04</u>
Total depreciation expense	<u>\$ 121,668.84</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 - GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	Principal Outstanding June 30, 2014	Additions	Reductions	Principal Outstanding June 30, 2015	Amounts Due Within One Year
Roofing and HVAC project general obligation bonds	\$ 317,516.00	\$ 0.00	\$ 20,000.00	\$ 297,516.00	\$ 20,000.00
Obligation under capital lease	7,560.51	0.00	7,560.51	0.00	0.00
Compensated absences payable	33,927.42	7,316.57	0.00	41,243.99	0.00
Net pension liability	634,555.00	0.00	528.00	634,027.00	0.00
Total	\$ 993,558.93	\$ 7,316.57	\$ 28,088.51	\$ 972,786.99	\$ 20,000.00

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 - GENERAL LONG-TERM DEBT (Concluded)

A. Bonds Payable

Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

On March 1, 2011, the District issued \$377,516.00 in general obligation bonds at 3.85% for a roofing and HVAC project. The final maturity of the bonds is 2026.

Principal and interest due on serial bonds outstanding is as follows:

	Principal	Interest	Total
Year ending June 30,			
2016	\$ 20,000.00	\$ 11,454.36	\$ 31,454.36
2017	20,000.00	10,684.36	30,684.36
2018	25,000.00	9,914.36	34,914.36
2019	25,000.00	12,994.36	37,994.36
2020	25,000.00	12,224.36	37,224.36
2021-2025	148,000.00	38,406.80	186,406.80
2026	34,516.00	1,328.86	35,844.86
	\$ 297,516.00	\$ 97,007.46	\$ 394,523.46

B. Bonds Authorized But Not Issued

As of June 30, 2015, the Board had no authorized but not issued bonds.

C. Capital Leases Payable

As of June 30, 2015, the District had no capital leases payable.

D. Interest Expense

No interest expense was capitalized during the fiscal year ending June 30, 2015. Interest expense totaling \$12,224.36 was paid by the debt service fund for the fiscal year ending June 30, 2015.

E. Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 - OPERATING LEASE

At June 30, 2015, the District had an operating lease agreement in effect for a copy machine. The term of the lease is for 48 months, expiring July 2018. Lease payments under the operating lease for the fiscal year ended June 30, 2015 were \$9,302.64. Future minimum lease payments are as follows:

Year ending June 30,	<u>Amount</u>
2016	\$ 9,302.64
2017	9,302.64
2018	<u>775.22</u>
Total future minimum lease payments	<u>\$ 19,380.50</u>

NOTE 8 - PENSION PLANS

A substantial number of the District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295, <http://www.state.nj.us/treasury/pensions>.

General Information About the Pension Plans

Plan Descriptions

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. Substantially, all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified, are covered under TPAF.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. Substantially all full-time employees of the District, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund, are covered under PERS.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

General Information About the Pension Plans (Continued)

Plan Descriptions (Concluded)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for certain enrollment tiers, but who earn salary of at least \$5,000.00 annually.

Benefits Provided

Teachers' Pension and Annuity Fund

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 10 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 3 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 represents the membership tiers for TPAF:

Tier 1 - Members who were enrolled prior to July 1, 2007

Tier 2 - Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008

Tier 3 - Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010

Tier 4 - Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011

Tier 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 tiers 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 reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

General Information About the Pension Plans (Continued)

Benefits Provided (Concluded)

Public Employees' Retirement System

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 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The membership tiers for PERS are the same as noted above for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 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 reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund

The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

General Information About the Pension Plans (Concluded)

Contributions (Concluded)

Teachers' Pension and Annuity Fund (Concluded)

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

The District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.53% of the District's covered-employee payroll, of which 0.00% of payroll was required from the District and 100.00% of payroll was required from the State of New Jersey. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2015 because of the 100.00% special funding situation with the State of New Jersey.

Public Employees' Retirement System

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.53% of the District's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$24,192.00 for the fiscal year ended June 30, 2015. Employee contributions were \$12,532.99 for the fiscal year ended June 30, 2015.

Defined Contribution Retirement Program

State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

For the fiscal year ended June 30, 2015, employee contributions totaled \$9,193.87, and the District recognized pension expense of \$7,225.83. There were no forfeitures during the fiscal year.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

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

Teachers' Pension and Annuity Fund

At June 30, 2015, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100.00% reduction for State of New Jersey pension support provided to the District. The State's proportionate share of net pension liability, attributable to the District is as follows:

District's proportionate share of net pension liability	\$	-
State of New Jersey's proportionate share of net pension liability associated with the District		<u>7,618,675.00</u>
		<u>\$ 7,618,675.00</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The District's proportion 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 employers and the State of New Jersey, actuarially determined. At June 30, 2015, the District's proportion was 0.00% due to the 100.00% special funding situation of the State of New Jersey. For the fiscal year ended June 30, 2015, the District recognized \$88,854.00 in revenue and expense, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions.

Public Employees' Retirement System

At June 30, 2015, the District reported a liability of \$634,555.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The District's proportion 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 employers, actuarially determined. At June 30, 2014, the District's proportion was 0.0033864008, which was a decrease of 0.0000613812% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized \$35,149.00, in the government-wide financial statements, for pension expense for PERS.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - 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 (Concluded)

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow Of Resources</u>	<u>Deferred Inflow Of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	19,337.00	-
Net difference between projected and actual earnings on pension plan investments	-	37,785.00
Changes in proportion and differences between district contributions and proportionate share of contributions	10,688.00	-
District contributions subsequent to the measurement date	<u>24,192.00</u>	<u>-</u>
	<u>\$ 54,217.00</u>	<u>\$ 37,785.00</u>

\$24,192.00 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2015	\$ (2,514.00)
2016	(2,514.00)
2017	(2,514.00)
2018	(2,514.00)
2019	1,594.00
Thereafter	<u>702.00</u>
	<u>\$ (7,760.00)</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

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

Actuarial Assumptions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.01%
Salary increases:		
2012-2021	Varies based on experience	2.15% - 4.40% based on age
Thereafter	Varies based on experience	3.15% - 5.40% based on age
Investment rate of return	7.90%	7.90%
Mortality rate table	RP-2000	RP-2000
Period of actuarial experience study upon which actuarial assumptions were based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

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

Actuarial Assumptions (Concluded)

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees, and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	TPAF		PERS	
	Target Allocation	Long-Term Expected Real Rate Of Return	Target Allocation	Long-Term Expected Real Rate Of Return
Cash	6.00%	0.50%	6.00%	0.80%
Core fixed income	-	2.19%	-	-
Core bonds	1.00%	1.38%	1.00%	2.49%
Short-term bonds	-	1.00%	-	-
Intermediate-term bonds	11.20%	2.60%	11.20%	2.26%
Long-term bonds	-	3.23%	-	-
Mortgages	2.50%	2.84%	2.50%	2.17%
High yield bonds	5.50%	4.15%	5.50%	4.82%
Non-US fixed income	-	1.41%	-	-
Inflation-indexed bonds	2.50%	1.30%	2.50%	3.51%
Broad US equities	25.90%	5.88%	25.90%	8.22%
Large Cap US equities	-	5.62%	-	-
Mid Cap US equities	-	6.39%	-	-
Small Cap US equities	-	7.39%	-	-
Developed foreign equities	12.70%	6.05%	12.70%	8.12%
Emerging market equities	6.50%	8.90%	6.50%	9.91%
Private equity	8.25%	9.15%	8.25%	13.02%
Hedge funds/absolute return	12.25%	3.85%	12.25%	4.92%
Real estate (property)	3.20%	4.43%	3.20%	5.80%
Real estate (REITS)	-	5.58%	-	-
Commodities	2.50%	3.60%	2.50%	5.35%
Long credit bonds	-	3.74%	-	-
	<u>100.00%</u>		<u>100.00%</u>	

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% for TPAF as of June 30, 2014 and 2013, respectively, and 5.39% and 5.55% for PERS as of June 30, 2014 and 2013, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last 5 years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund

As indicated above, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the District is \$0.00 and the State's net pension liability attributable to the District using a discount rate of 4.68%, as well as using a discount rate that is 1.00% lower or 1.00% higher than the current rates used is as follows:

	<u>1.00% Decrease (3.68%)</u>	<u>Current Discount Rate (4.68%)</u>	<u>1.00% Increase (5.68%)</u>
District's proportionate share of the net position liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability	<u>9,756,847.00</u>	<u>8,112,201.00</u>	<u>6,744,210.00</u>
	<u>\$9,756,847.00</u>	<u>\$8,112,201.00</u>	<u>\$ 6,744,210.00</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - PENSION PLANS (Concluded)

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

Sensitivity of District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Concluded)

Public Employees' Retirement System

The following presents the District's proportionate share of the net pension liability at June 30, 2014 calculated using a discount rate of 5.39% for PERS, as well as what the District's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates used:

	1.00% Decrease (4.39%)	Current Discount Rate (5.39%)	1.00% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 797,627.00	\$ 634,027.00	\$ 496,644.00

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 9 - POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides employer paid health benefits to member of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

NOTE 10 - ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$88,854.00 and \$141,055.00, respectively.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 - COMPENSATED ABSENCES

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

Twelve-month professional employees, custodians, and support staff are eligible for vacation based on contract schedules with a maximum of twenty days in a fiscal year. However, all vacation days must be taken within one year of the time credited.

By contract and state statute (N.J.S.A. 18A:30-3), instructional and non instructional employees may accrue sick time. The contracts provide that upon retirement with fifteen years or more of service, an employee is eligible to receive a reimbursement at \$65.00 per day of forty-five (45) percent of their unused, accumulated sick leave days.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the proprietary fund types.

NOTE 12 - DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investments
Syracusa
American Century

NOTE 13 - RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2015 for the joint insurance pool. As of December 31, 2014, the fund had a projected surplus of \$2,093,322.00 of which the District's share is \$29,177.00.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General fund:		
Special revenue fund	\$ 116,274.77	\$ -
Trust and agency fund	-	413.68
Special revenue fund:		
General fund	-	116,274.77
Trust and agency fund:		
General fund	413.68	-
	\$ 116,688.45	\$ 116,688.45

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds, as well as June 2015's interest earnings. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

NOTE 15 - FUND BALANCE APPROPRIATED

The District has classified its fund balances with the following hierarchy:

Nonspendable

The District does not have any nonspendable funds.

Spendable

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

Restricted

Capital reserve - As of June 30, 2015, the balance in the capital reserve account is \$5.00 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Excess surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of 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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance as of June 30, 2015 is \$611,013.33. Of this \$297,976.09 of excess fund balance, which was generated during 2013-14, has been restricted and designated for utilization in the 2015-16 budget.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 - FUND BALANCE APPROPRIATED (Concluded)

Capital projects fund - On March 1, 2011, the District issued \$377,516.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the District. The bond issuance was approved by the voters for a roofing and HVAC project. As of June 30, 2015, the restricted fund balance amount was \$31,193.56.

Debt service fund - Of the \$1.92 of debt service fund restricted fund balance at June 30, 2015, \$0.00 has been designated for utilization in the 2015-16 year.

Assigned

Designated by the Board of Education for subsequent year's expenditures - The District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016 \$337.91 of general fund balance at June 30, 2015.

Other purposes - As of June 30, 2015, the District had \$4,305.28 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Unassigned

This is the remainder of the District's equity in the governmental fund types. The total balance is \$149,880.00 as of June 30, 2015. This is comprised of \$149,880.00 in the general fund and \$0.00 in the debt service fund.

NOTE 16 - CALCULATION OF EXCESS SURPLUS

The designation for reserved fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$313,037.24. The excess fund balance at June 30, 2014 was \$297,976.09.

NOTE 17 - RESTATEMENT OF NET POSITION

As indicated in Note 1 to the financial statements, the District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, for the fiscal year ended June 30, 2015. As a result of implementing these 2 statements, a restatement of unrestricted net position on the government-wide statement of activities was required to record the District's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 17 - RESTATEMENT OF NET POSITION (Concluded)

	Net Position As Previously Reported June 30, 2014	GASB Statement No. 68 Implementation			Net Position As Restated June 30, 2014
		Net Pension Liability (1)	Deferred Outflows (2)	Accounts Payable (3)	
Governmental activities:					
Net investment in capital assets	\$ 462,640.74	\$ 0.00	\$ 0.00	\$ 0.00	\$ 462,640.74
Reserve for:					
Debt service	31,193.60	0.00	0.00	0.00	31,193.60
Capital projects	1.28	0.00	0.00	0.00	1.28
Other purposes	514,223.09	0.00	0.00	0.00	514,223.09
Unrestricted (deficit)	<u>125,756.79</u>	<u>(634,555.00)</u>	<u>27,917.00</u>	<u>(27,917.00)</u>	<u>(508,798.21)</u>
Total net position	<u>\$ 1,133,815.50</u>	<u>\$ (634,555.00)</u>	<u>\$ 27,917.00</u>	<u>\$ (27,917.00)</u>	<u>\$ 499,260.50</u>

(1) Represents the District's proportionate share of the Public Employees' Retirement System (PERS) June 30, 2013 net pension liability.

(2) Represents the District's beginning deferred outflow of resources for contributions subsequent to the measurement date, paid on April 1, 2015.

(3) Represents the District's accounts payable for contributions subsequent to the measurement date, paid on April 1, 2015. The State of New Jersey Division of Pension and Benefits has an accounts receivable recorded in the PERS Plan Audit.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18 - CONTINGENT LIABILITIES

The Board is not involved in any claims or lawsuits incidental to its operations that will, in the opinion of the administration and legal counsel, have a material adverse effect on the financial position of the District.

NOTE 19 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 17, 2015, the date which the financial statements were available to be issued.

Required Supplementary Information - Part II

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 2,428,043.00	\$ 0.00	\$ 2,428,043.00	\$ 2,428,043.00	\$ 0.00
Tuition	0.00	0.00	0.00	18,000.18	13,000.18
Unrestricted miscellaneous revenues	5,000.00	0.00	5,000.00	2,424.50	(2,575.50)
Total local sources	<u>2,433,043.00</u>	<u>0.00</u>	<u>2,433,043.00</u>	<u>2,448,467.68</u>	<u>10,424.68</u>
State sources:					
Equalization aid	850,018.00	0.00	850,018.00	850,018.00	0.00
Categorical special education aid	132,086.00	0.00	132,086.00	132,086.00	0.00
Categorical transportation aid	5,424.00	0.00	5,424.00	5,424.00	0.00
Security aid	4,841.00	0.00	4,841.00	4,841.00	0.00
Extraordinary aid	0.00	0.00	0.00	0.00	0.00
Other state aid	4,240.00	0.00	4,240.00	4,240.00	0.00
On-behalf T.P.A.F. pension contributions (non-budgeted)	0.00	0.00	0.00	88,854.00	88,854.00
On-behalf T.P.A.F. post retirement benefits (non-budgeted)	0.00	0.00	0.00	141,055.00	141,055.00
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	122,233.69	122,233.69
Total state sources	<u>996,609.00</u>	<u>0.00</u>	<u>996,609.00</u>	<u>1,348,751.69</u>	<u>352,142.69</u>
Total revenues	<u>3,429,652.00</u>	<u>0.00</u>	<u>3,429,652.00</u>	<u>3,797,219.37</u>	<u>362,567.37</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 154,469.00	\$ 1,316.00	\$ 155,785.00	\$ 155,763.19	\$ 21.81
Grades 1-5	749,947.00	67,328.85	817,275.85	816,228.21	1,047.64
Grades 6-8	183,148.00	(60,198.84)	122,949.16	122,390.33	558.83
Home instruction:					
Salaries of teachers	1,500.00	(1,500.00)	0.00	0.00	0.00
Regular programs - undistributed instruction:					
Purchased technical services	14,560.00	(7,188.96)	7,371.04	4,612.50	2,758.54
Other purchased services	23,061.00	(2,315.05)	20,745.95	20,745.46	0.49
General supplies	38,277.00	(1,395.37)	36,881.63	36,587.40	294.23
Textbooks	3,880.00	(3,863.59)	16.41	0.00	16.41
Other objects	4,100.00	0.00	4,100.00	3,452.50	647.50
Total regular programs	<u>1,172,942.00</u>	<u>(7,816.96)</u>	<u>1,165,125.04</u>	<u>1,159,779.59</u>	<u>5,345.45</u>
Resource room/resource center - instruction:					
Salaries of teachers	212,059.00	2,600.00	214,659.00	214,528.45	130.55
Other salaries for instruction	127,699.00	13,817.96	141,516.96	141,516.96	0.00
Purchased technical services	580.00	(580.00)	0.00	0.00	0.00
General supplies	1,000.00	(300.00)	700.00	686.51	13.49
Total resource room/resource center - instruction	<u>341,338.00</u>	<u>15,537.96</u>	<u>356,875.96</u>	<u>356,731.92</u>	<u>144.04</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Preschool disabilities - part-time:					
Salaries of teachers	\$ 28,188.00	\$ (11.00)	\$ 28,177.00	\$ 28,176.79	\$ 0.21
Other salaries for instruction	11,770.00	999.44	12,769.44	12,769.44	0.00
Purchased professional education services	0.00	0.00	0.00	0.00	0.00
General supplies	700.00	(61.00)	639.00	527.07	111.93
Total preschool disabilities - part-time	<u>40,658.00</u>	<u>927.44</u>	<u>41,585.44</u>	<u>41,473.30</u>	<u>112.14</u>
Total special education	<u>381,996.00</u>	<u>16,465.40</u>	<u>398,461.40</u>	<u>398,205.22</u>	<u>256.18</u>
Basic skills/remedial - instruction:					
Salaries of teachers	140,602.00	4,105.56	144,707.56	144,673.71	33.85
Other purchased services	450.00	(434.00)	16.00	0.00	16.00
General supplies	250.00	0.00	250.00	247.94	2.06
Total basic skills/remedial - instruction	<u>141,302.00</u>	<u>3,671.56</u>	<u>144,973.56</u>	<u>144,921.65</u>	<u>51.91</u>
School sponsored cocurricular/extracurricular activities - instruction:					
Salaries	8,500.00	(200.00)	8,300.00	7,781.06	518.94
Supplies and materials	200.00	0.00	200.00	169.65	30.35
Other objects	750.00	0.00	750.00	385.00	365.00
Total school sponsored cocurricular/extracurricular activities - instruction	<u>9,450.00</u>	<u>(200.00)</u>	<u>9,250.00</u>	<u>8,335.71</u>	<u>914.29</u>
Total instruction	<u>1,705,690.00</u>	<u>12,120.00</u>	<u>1,717,810.00</u>	<u>1,711,242.17</u>	<u>6,567.83</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state - regular	\$ 11,500.00	\$ (6,320.00)	\$ 5,180.00	\$ 0.00	\$ 5,180.00
Tuition to other LEA's within the state - special	93,500.00	0.00	93,500.00	61,848.00	31,652.00
Tuition to county special services and regional day schools	115,380.00	0.00	115,380.00	100,599.00	14,781.00
Tuition to private schools for the handicapped - special within the state	45,509.00	0.00	45,509.00	36,266.36	9,242.64
Total instruction	<u>265,889.00</u>	<u>(6,320.00)</u>	<u>259,569.00</u>	<u>198,713.36</u>	<u>60,855.64</u>
Attendance and social work services:					
Salaries	7,585.00	0.00	7,585.00	7,585.00	0.00
Purchased professional and technical services	5,000.00	(1,570.00)	3,430.00	1,018.50	2,411.50
Supplies and materials	250.00	0.00	250.00	0.00	250.00
Total attendance and social work services	<u>12,835.00</u>	<u>(1,570.00)</u>	<u>11,265.00</u>	<u>8,603.50</u>	<u>2,661.50</u>
Health services:					
Salaries	53,351.00	1,579.50	54,930.50	54,930.04	0.46
Purchased professional and technical services	2,000.00	198.00	2,198.00	2,198.00	0.00
Other purchased services	500.00	(297.00)	203.00	196.50	6.50
Supplies and materials	2,637.00	(684.40)	1,952.60	1,952.60	0.00
Total health services	<u>58,488.00</u>	<u>796.10</u>	<u>59,284.10</u>	<u>59,277.14</u>	<u>6.96</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Speech, OT, PT, and related services:					
Salaries	\$ 65,224.00	\$ 1,005.40	\$ 66,229.40	\$ 66,229.40	\$ 0.00
Purchased professional educational services	47,000.00	(1,052.50)	45,947.50	25,580.85	20,366.65
Supplies and materials	475.00	21.00	496.00	495.91	0.09
Total speech, OT, PT, and related services	<u>112,699.00</u>	<u>(26.10)</u>	<u>112,672.90</u>	<u>92,306.16</u>	<u>20,366.74</u>
Other support services - students - extraordinary services:					
Purchased professional educational services	40,000.00	2,449.00	42,449.00	31,447.63	11,001.37
Supplies and materials	310.00	6.00	316.00	315.06	0.94
Total other support services - students - extraordinary services	<u>40,310.00</u>	<u>2,455.00</u>	<u>42,765.00</u>	<u>31,762.69</u>	<u>11,002.31</u>
Guidance:					
Salaries of other professional staff	30,631.00	2,639.80	33,270.80	33,270.80	0.00
Purchased professional educational services	3,500.00	(3,500.00)	0.00	0.00	0.00
Other purchased professional and technical services	675.00	(622.80)	52.20	0.00	52.20
Other purchased services	300.00	166.00	466.00	455.92	10.08
Supplies and materials	290.00	(138.00)	152.00	0.00	152.00
Total guidance	<u>35,396.00</u>	<u>(1,455.00)</u>	<u>33,941.00</u>	<u>33,726.72</u>	<u>214.28</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Child study teams:					
Purchased professional educational services	\$ 75,000.00	\$ (1,000.00)	\$ 74,000.00	\$ 73,724.61	\$ 275.39
Total child study teams	<u>75,000.00</u>	<u>(1,000.00)</u>	<u>74,000.00</u>	<u>73,724.61</u>	<u>275.39</u>
Improvement of instruction services:					
Purchased professional educational services	32,380.00	0.00	32,380.00	31,420.00	960.00
Other purchased professional and technical services	<u>4,465.00</u>	<u>0.00</u>	<u>4,465.00</u>	<u>4,336.40</u>	<u>128.60</u>
Total improvement of instruction services	<u>36,845.00</u>	<u>0.00</u>	<u>36,845.00</u>	<u>35,756.40</u>	<u>1,088.60</u>
Educational media services/school library:					
Salaries	50,498.00	0.00	50,498.00	49,531.73	966.27
Purchased professional and technical services	575.00	0.00	575.00	0.00	575.00
Supplies and materials	<u>5,875.00</u>	<u>0.00</u>	<u>5,875.00</u>	<u>5,606.89</u>	<u>268.11</u>
Total educational media services/school library	<u>56,948.00</u>	<u>0.00</u>	<u>56,948.00</u>	<u>55,138.62</u>	<u>1,809.38</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Training services - instructional staff:					
Other purchased services	\$ 8,100.00	\$ 45.00	\$ 8,145.00	\$ 1,741.35	\$ 6,403.65
Supplies and materials	5,500.00	(95.00)	5,405.00	307.66	5,097.34
Other objects	0.00	50.00	50.00	50.00	0.00
Total training services - instructional staff	<u>13,600.00</u>	<u>0.00</u>	<u>13,600.00</u>	<u>2,099.01</u>	<u>11,500.99</u>
Support services - general administration:					
Salaries	147,054.00	0.00	147,054.00	145,939.36	1,114.64
Legal services	4,000.00	0.00	4,000.00	2,975.00	1,025.00
Audit fees	10,500.00	(525.00)	9,975.00	8,300.00	1,675.00
Other purchased professional services	5,500.00	525.00	6,025.00	6,025.00	0.00
Communications/telephone	16,500.00	0.00	16,500.00	6,907.06	9,592.94
BOE other purchased services	1,250.00	0.00	1,250.00	424.00	826.00
Other purchased services	9,000.00	0.00	9,000.00	2,839.90	6,160.10
General supplies	3,500.00	0.00	3,500.00	579.41	2,920.59
Miscellaneous expenditures	2,100.00	0.00	2,100.00	1,587.15	512.85
BOE membership dues and fees	3,000.00	0.00	3,000.00	2,624.90	375.10
Total support services - general administration	<u>202,404.00</u>	<u>0.00</u>	<u>202,404.00</u>	<u>178,201.78</u>	<u>24,202.22</u>

**EXHIBIT C-1
(Continued)**

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Support services - school administration:					
Salaries of secretarial and clerical assistants	\$ 38,874.00	\$ 0.00	\$ 38,874.00	\$ 38,873.08	\$ 0.92
Other purchased services	500.00	0.00	500.00	0.00	500.00
Supplies and materials	2,500.00	0.00	2,500.00	656.70	1,843.30
Total support services - school administration	<u>41,874.00</u>	<u>0.00</u>	<u>41,874.00</u>	<u>39,529.78</u>	<u>2,344.22</u>
Central services:					
Purchased professional services	70,000.00	0.00	70,000.00	69,250.00	750.00
Purchased technical services	11,500.00	0.00	11,500.00	10,600.00	900.00
Supplies and materials	450.00	0.00	450.00	431.28	18.72
Miscellaneous expenses	200.00	0.00	200.00	25.00	175.00
Total central services	<u>82,150.00</u>	<u>0.00</u>	<u>82,150.00</u>	<u>80,306.28</u>	<u>1,843.72</u>
Required maintenance for school facilities:					
Salaries	12,472.00	728.00	13,200.00	13,192.87	7.13
Cleaning, repair, and maintenance services	23,000.00	0.00	23,000.00	11,782.13	11,217.87
General supplies	5,000.00	0.00	5,000.00	851.81	4,148.19
Total required maintenance for school facilities	<u>40,472.00</u>	<u>728.00</u>	<u>41,200.00</u>	<u>25,826.81</u>	<u>15,373.19</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Custodial services:					
Salaries	\$ 65,888.00	\$ 81.24	\$ 65,969.24	\$ 65,788.24	\$ 181.00
Purchased professional and technical services	7,000.00	(309.24)	6,690.76	2,739.00	3,951.76
Cleaning, repair, and maintenance services	10,000.00	(112.84)	9,887.16	4,291.06	5,596.10
Other purchased property services	13,200.00	(500.00)	12,700.00	9,870.94	2,829.06
Insurance	21,500.00	0.00	21,500.00	17,372.00	4,128.00
General supplies	23,000.00	0.00	23,000.00	12,562.27	10,437.73
Energy (electricity)	62,000.00	0.00	62,000.00	54,969.39	7,030.61
Miscellaneous expenses	0.00	112.84	112.84	112.84	0.00
Total custodial services	<u>202,588.00</u>	<u>(728.00)</u>	<u>201,860.00</u>	<u>167,705.74</u>	<u>34,154.26</u>
Student transportation services:					
Management fee - ESC transportation programs	12.00	0.00	12.00	5.00	7.00
Contracted services (special education) - joint agreements	120,000.00	0.00	120,000.00	79,113.09	40,886.91
Contracted services - aid in lieu of payments	3,500.00	0.00	3,500.00	0.00	3,500.00
Total student transportation services	<u>123,512.00</u>	<u>0.00</u>	<u>123,512.00</u>	<u>79,118.09</u>	<u>44,393.91</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Unallocated benefits:					
Social security contributions	\$ 53,000.00	\$ 0.00	\$ 53,000.00	\$ 39,645.99	\$ 13,354.01
Other retirement contributions - PERS	41,000.00	(5,000.00)	36,000.00	34,739.23	1,260.77
Unemployment compensation	12,200.00	0.00	12,200.00	8,844.06	3,355.94
Workmen's compensation	19,000.00	(1,981.00)	17,019.00	15,096.00	1,923.00
Health benefits	365,000.00	0.00	365,000.00	340,721.58	24,278.42
Tuition reimbursement	17,000.00	0.00	17,000.00	2,119.50	14,880.50
Other employee benefits	18,500.00	1,981.00	20,481.00	20,481.00	0.00
Total unallocated benefits	<u>525,700.00</u>	<u>(5,000.00)</u>	<u>520,700.00</u>	<u>461,647.36</u>	<u>59,052.64</u>
On-behalf T.P.A.F. pension contributions (non-budgeted)	0.00	0.00	0.00	88,854.00	(88,854.00)
On-behalf TPAF - post-retirement medical (non-budgeted)	0.00	0.00	0.00	141,055.00	(141,055.00)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	122,233.69	(122,233.69)
Total undistributed expenditures	<u>1,926,710.00</u>	<u>(12,120.00)</u>	<u>1,914,590.00</u>	<u>1,975,586.74</u>	<u>(60,996.74)</u>
Total expenditures - current expense	<u>3,632,400.00</u>	<u>0.00</u>	<u>3,632,400.00</u>	<u>3,686,828.91</u>	<u>(54,428.91)</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY:					
Facilities acquisition and construction expense:					
Construction services:					
Capital improvements	\$ 13,000.00	\$ 0.00	\$ 13,000.00	\$ 8,796.03	\$ 4,203.97
Assessment for debt service on SDA funding	494.00	0.00	494.00	494.00	0.00
Total equipment	<u>13,494.00</u>	<u>0.00</u>	<u>13,494.00</u>	<u>9,290.03</u>	<u>4,203.97</u>
Total capital outlay	<u>13,494.00</u>	<u>0.00</u>	<u>13,494.00</u>	<u>9,290.03</u>	<u>4,203.97</u>
Total expenditures	<u>3,645,894.00</u>	<u>0.00</u>	<u>3,645,894.00</u>	<u>3,696,118.94</u>	<u>(50,224.94)</u>
Excess (deficiency) of revenues and expenditures	(216,242.00)	(0.00)	(216,242.00)	101,100.43	317,342.43
Fund balances - July 1	<u>764,561.09</u>	<u>0.00</u>	<u>764,561.09</u>	<u>764,561.09</u>	<u>0.00</u>
Fund balances - June 30	<u>\$ 548,319.09</u>	<u>\$ (0.00)</u>	<u>\$ 548,319.09</u>	<u>\$ 865,661.52</u>	<u>\$ 317,342.43</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 5.00	
Excess surplus - prior year - designated for subsequent year's expenditures				297,976.09	
Excess surplus - current year				313,037.24	
Assigned fund balance:					
Designated for subsequent year's expenditures				337.91	
Year end encumbrances				4,305.28	
Unassigned fund balance				<u>250,000.00</u>	
				865,661.52	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(100,120.00)</u>	
				<u>765,541.52</u>	
				<u>\$ 765,541.52</u>	

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual (Budgetary Basis)	Variance Final To Actual
REVENUES:					
State sources	\$ 325,868.00	\$ 2,905.00	\$ 328,773.00	\$ 307,944.21	\$ (20,828.79)
Federal sources	139,871.00	(14,051.11)	125,819.89	124,303.89	(1,516.00)
Total revenues	<u>465,739.00</u>	<u>(11,146.11)</u>	<u>454,592.89</u>	<u>432,248.10</u>	<u>(22,344.79)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	23,591.00	(1,543.97)	22,047.03	22,047.03	0.00
Purchased professional and technical services	278,965.00	2,905.00	281,870.00	261,042.93	20,827.07
Tuition	23,644.00	2,010.70	25,654.70	25,654.70	0.00
General supplies	13,342.00	(704.00)	12,638.00	12,636.28	1.72
Total instruction	<u>339,542.00</u>	<u>2,667.73</u>	<u>342,209.73</u>	<u>321,380.94</u>	<u>20,828.79</u>
Support services:					
Employee benefits	6,134.00	(1,371.84)	4,762.16	4,762.16	0.00
Purchased professional and technical services	3,125.00	(62.00)	3,063.00	1,547.00	1,516.00
Purchased professional and educational services	81,843.00	(12,380.00)	69,463.00	69,463.00	0.00
Other professional services	35,095.00	0.00	35,095.00	35,095.00	0.00
Total support services	<u>126,197.00</u>	<u>(13,813.84)</u>	<u>112,383.16</u>	<u>110,867.16</u>	<u>1,516.00</u>
Total expenditures	<u>465,739.00</u>	<u>(11,146.11)</u>	<u>454,592.89</u>	<u>432,248.10</u>	<u>22,344.79</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Notes To The Required Supplementary Information

WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note To Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

Note A - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 3,797,219.37	\$ 432,248.10
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	0.00	(1,068.78)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements:		
2013-14	86,579.00	0.00
2014-15	(100,120.00)	0.00
	<u>0.00</u>	<u>(1,068.78)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 3,783,678.37</u>	<u>\$ 431,179.32</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 3,696,118.94	\$ 432,248.10
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
School year 2014-15	0.00	(1,068.78)
	<u>0.00</u>	<u>(1,068.78)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 3,696,118.94</u>	<u>\$ 431,179.32</u>

Required Supplementary Information - Part III

WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Two Fiscal Years

	Measurement Date Ending June 30,	
	2014	2013
District's proportion of the net pension liability	0.0338640080%	0.0332501960%
District's proportionate share of the net pension liability	\$ 634,027.00	\$ 634,555.00
District's covered-employee payroll	\$ 170,480.00	\$ 206,805.00
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	371.91%	306.84%
Plan fiduciary net position as a percentage of the total pension liability	95.24%	97.37%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees' Retirement System (PERS)
Last Two Fiscal Years

	Fiscal Year Ended	
	June 30,	
	2015	2014
Contractually required contribution	\$ 24,192.00	\$ 27,917.00
Contributions in relation to the contractually required contribution	<u>(24,192.00)</u>	<u>(27,917.00)</u>
Contribution deficiency (excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>
District's covered-employee payroll	\$ 177,231.00	\$ 170,480.00
Contributions as a percentage of district's covered-employee payroll	13.65%	16.38%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund (TPAF)
Last Two Fiscal Years

	Measurement Date Ending June 30,	
	2014	2013
District's proportion of the net pension liability	0.00%	0.00%
State's proportion of the net pension liability associated with the District	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
District's proportionate share of the net pension liability	\$ 0.00	\$ 0.00
State's proportionate share of the net pension liability associated with the District	<u>7,618,675.00</u>	<u>7,999,737.00</u>
	<u>\$ 7,618,675.00</u>	<u>\$ 7,999,737.00</u>
District's covered-employee payroll	\$ 1,642,322.00	\$ 1,504,229.00
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	463.90%	531.82%
Plan fiduciary net position as a percentage of the total pension liability	53.98%	48.44%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Teacher's Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years**

NOT APPLICABLE

Note: The District is not required to make any contributions towards TPAF. There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

Notes To The Required Supplementary Information

**WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2015**

NOTE 1 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

Changes In Benefit Terms

None.

Changes In Assumptions

The discount rate changed from 5.55% as of June 30, 2013, to 5.39% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

NOTE 2 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

Changes In Benefit Terms

None.

Changes In Assumptions

The discount rate changed from 4.95% as of June 30, 2013, to 4.68% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Supplementary Information

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	<u>Federal</u>	<u>State</u>	<u>Total</u>
REVENUES:			
Federal sources	\$ 124,303.89	\$ 0.00	\$ 124,303.89
State sources	0.00	307,944.21	307,944.21
Total revenues	<u>\$ 124,303.89</u>	<u>\$ 307,944.21</u>	<u>\$ 432,248.10</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 22,047.03	\$ 0.00	\$ 22,047.03
Purchased professional and technical services	0.00	261,042.93	261,042.93
General supplies	830.00	11,806.28	12,636.28
Tuition	25,654.70	0.00	25,654.70
Total instruction	<u>48,531.73</u>	<u>272,849.21</u>	<u>321,380.94</u>
Support services:			
Employee benefits	4,762.16	0.00	4,762.16
Purchased professional and educational services	69,463.00	0.00	69,463.00
Purchased professional and technical services	1,547.00	0.00	1,547.00
Other purchased services	0.00	35,095.00	35,095.00
Total support services	<u>75,772.16</u>	<u>35,095.00</u>	<u>110,867.16</u>
Total expenditures	<u>\$ 124,303.89</u>	<u>\$ 307,944.21</u>	<u>\$ 432,248.10</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Federal
Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	I.D.E.A. - Part B Basic Regular Program	I.D.E.A. - Part B Basic Regular Program Carryover	I.D.E.A. - Part B Preschool Incentive Program	Title I	Title I Carryover	Title II Part A	Title II Part A Carryover	Total
REVENUES:								
Federal sources	\$ 56,658.70	\$ 32,150.00	\$ 7,055.00	\$ 19,118.70	\$ 183.00	\$ 7,591.49	\$ 1,547.00	\$ 124,303.89
Total revenues	\$ 56,658.70	\$ 32,150.00	\$ 7,055.00	\$ 19,118.70	\$ 183.00	\$ 7,591.49	\$ 1,547.00	\$ 124,303.89
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 0.00	\$ 0.00	\$ 0.00	\$ 15,804.03	\$ 0.00	\$ 6,243.00	\$ 0.00	\$ 22,047.03
Tuition	18,599.70	0.00	7,055.00	0.00	0.00	0.00	0.00	25,654.70
General supplies	0.00	746.00	0.00	84.00	0.00	0.00	0.00	830.00
Total instruction	18,599.70	746.00	7,055.00	15,888.03	0.00	6,243.00	0.00	48,531.73
Support services:								
Employee benefits	0.00	0.00	0.00	3,230.67	183.00	1,348.49	0.00	4,762.16
Purchased professional and educational services	38,059.00	31,404.00	0.00	0.00	0.00	0.00	0.00	69,463.00
Purchased professional and technical services	0.00	0.00	0.00	0.00	0.00	0.00	1,547.00	1,547.00
Total support services	38,059.00	31,404.00	0.00	3,230.67	183.00	1,348.49	1,547.00	75,772.16
Total expenditures	\$ 56,658.70	\$ 32,150.00	\$ 7,055.00	\$ 19,118.70	\$ 183.00	\$ 7,591.49	\$ 1,547.00	\$ 124,303.89
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - State
Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Auxiliary Services				Handicapped Services					Total
	Nonpublic Textbooks	Nonpublic Compensatory Education	Nonpublic Home Instruction	Nonpublic Transportation	Nonpublic Examination and Classification	Nonpublic Corrective Speech	Nonpublic Supplementary Instruction	Nonpublic Technology	Nonpublic Nursing Aid	
REVENUES:										
State sources	\$ 21,985.00	\$ 81,517.80	\$ 15,818.78	\$ 17,128.56	\$ 36,204.06	\$ 64,141.50	\$ 24,247.23	\$ 11,806.28	\$ 35,095.00	\$ 307,944.21
Total revenues	\$ 21,985.00	\$ 81,517.80	\$ 15,818.78	\$ 17,128.56	\$ 36,204.06	\$ 64,141.50	\$ 24,247.23	\$ 11,806.28	\$ 35,095.00	\$ 307,944.21
EXPENDITURES:										
Instruction:										
Purchased professional and technical services	\$ 21,985.00	\$ 81,517.80	\$ 15,818.78	\$ 17,128.56	\$ 36,204.06	\$ 64,141.50	\$ 24,247.23	\$ 0.00	\$ 0.00	\$ 261,042.93
General supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,806.28	0.00	11,806.28
Total instruction	21,985.00	81,517.80	15,818.78	17,128.56	36,204.06	64,141.50	24,247.23	11,806.28	0.00	272,849.21
Support services:										
Purchased professional services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,095.00	35,095.00
Total support services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,095.00	35,095.00
Total expenditures	\$ 21,985.00	\$ 81,517.80	\$ 15,818.78	\$ 17,128.56	\$ 36,204.06	\$ 64,141.50	\$ 24,247.23	\$ 11,806.28	\$ 35,095.00	\$ 307,944.21
Excess (deficiency) of revenues over (under) expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

WOODBURY HEIGHTS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2015

Project Title	Approval Date	Budgetary Appropriations	GAAP Expenditures To Date		Unexpended Appropriations June 30, 2015
			Prior Year	Current Year	
Roofing and HVAC project	09/14/10	\$ 629,194.00	\$ 577,204.67	\$ 0.00	\$ 51,989.33
		<u>\$ 629,194.00</u>	<u>\$ 577,204.67</u>	<u>\$ 0.00</u>	<u>\$ 51,989.33</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

REVENUES AND OTHER FINANCING SOURCES:	
State sources - SDA grant	\$ 0.00
Bond proceeds and transfers	<u>0.00</u>
Total revenues and other financing sources	<u>0.00</u>
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	0.00
Construction services	<u>0.00</u>
Total expenditures and other financing uses	<u>0.00</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	0.00
OTHER FINANCING SOURCES (USES):	
Prior period adjustment	<u>(0.04)</u>
Excess (deficiency) of revenues over (under) expenditures	(0.04)
Fund balance - beginning	<u>31,193.60</u>
Fund balance - ending	<u><u>\$ 31,193.56</u></u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roofing and HVAC Project
From Inception and for the Fiscal Year Ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 251,678.00	\$ 0.00	\$ 251,678.00	\$ 251,678.00
Bond proceeds and transfers	377,516.00	0.00	377,516.00	377,516.00
Total revenues and other financing sources	<u>629,194.00</u>	<u>0.00</u>	<u>629,194.00</u>	<u>629,194.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	43,015.17	0.00	43,015.17	42,579.00
Construction services	534,189.50	0.00	534,189.50	586,615.00
Total expenditures and other financing uses	<u>577,204.67</u>	<u>0.00</u>	<u>577,204.67</u>	<u>629,194.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 51,989.33</u>	<u>\$ 0.00</u>	<u>\$ 51,989.33</u>	<u>\$ 0.00</u>
ADDITIONAL PROJECT INFORMATION:				
Project number	050-10-1002, 5870-050-10-1001			
Grant date	09/07/10			
Bond authorization date	02/08/11			
Bonds authorized	\$ 377,516.00			
Bonds issued	\$ 377,516.00			
Original authorized cost	\$ 629,194.00			
Additional authorized cost	\$ 0.00			
Revised authorized cost	\$ 629,194.00			
Percentage increase over original authorized cost	0.00%			
Percentage of completion	91.74%			
Original target completion date	08/12/11			
Revised target completion date	06/30/15			

WOODBURY HEIGHTS SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2015

	Agency		Total
	Student Activity	Payroll	
ASSETS:			
Cash and cash equivalents	\$ 13,709.16	\$ 22,953.81	\$ 36,662.97
Interfund accounts receivable	0.00	413.68	413.68
Total assets	<u>\$ 13,709.16</u>	<u>\$ 23,367.49</u>	<u>\$ 37,076.65</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Payroll deductions and withholdings	\$ 0.00	\$ 23,367.49	\$ 23,367.49
Due to student groups	13,709.16	0.00	13,709.16
Total liabilities	<u>13,709.16</u>	<u>23,367.49</u>	<u>37,076.65</u>
Total liabilities and fund balances	<u>\$ 13,709.16</u>	<u>\$ 23,367.49</u>	<u>\$ 37,076.65</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Woodbury Heights school fund	\$ 15,296.03	\$ 6,295.85	\$ 7,882.72	\$ 13,709.16

WOODBURY HEIGHTS SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursement
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
ASSETS:				
Cash and cash equivalents	\$ 17,318.25	\$ 2,409,164.61	\$ 2,403,529.05	\$ 22,953.81
Interfund accounts receivable	409.73	(87.43)	(91.38)	413.68
Total assets	\$ 17,727.98	\$ 2,409,077.18	\$ 2,403,437.67	\$ 23,367.49
LIABILITIES:				
Payroll deductions and withholdings	\$ 17,727.98	\$ 1,004,144.50	\$ 998,504.99	\$ 23,367.49
Net payroll	0.00	1,404,932.68	1,404,932.68	0.00
Total liabilities	\$ 17,727.98	\$ 2,409,077.18	\$ 2,403,437.67	\$ 23,367.49

**WOODBURY HEIGHTS SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Statement of Serial Bonds
 June 30, 2015**

Issue	Date Of Issue	Amount Of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Retired	Balance June 30, 2015
			Date	Amount				
Roofing and HVAC project	03/01/11	\$ 377,516.00	03/01/16-17	\$ 20,000.00	3.85%	\$ 317,516.00	\$ 20,000.00	\$ 297,516.00
			03/01/18-21	25,000.00				
			03/01/22-24	30,000.00				
			03/01/25	33,000.00				
			03/01/26	34,516.00				
					<u>\$ 317,516.00</u>	<u>\$ 20,000.00</u>	<u>\$ 297,516.00</u>	
					<u>\$ 317,516.00</u>	<u>\$ 20,000.00</u>	<u>\$ 297,516.00</u>	

WOODBURY HEIGHTS SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligation Under Capital Leases
June 30, 2015

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance	Retired	Balance
			Principal	Interest		July 1, 2014		June 30, 2015
Apple personal computers, servers and networking equipment	06/20/11	4 Years	\$ 27,492.71	\$ 2,749.33	6.55%	\$ 7,560.51	\$ 7,560.51	\$ 0.00
						<u>\$ 7,560.51</u>	<u>\$ 7,560.51</u>	<u>\$ 0.00</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Budget</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 32,225.00	\$ 0.00	\$ 32,225.00	\$ 32,225.00	\$ 0.00
Total local sources	<u>32,225.00</u>	<u>0.00</u>	<u>32,225.00</u>	<u>32,225.00</u>	<u>0.00</u>
Total revenues	<u>32,225.00</u>	<u>0.00</u>	<u>32,225.00</u>	<u>32,225.00</u>	<u>0.00</u>
EXPENDITURES:					
Regular debt service:					
Interest	12,225.00	0.00	12,225.00	12,224.36	0.64
Redemption of principal	20,000.00	0.00	20,000.00	20,000.00	0.00
Total regular debt service	<u>32,225.00</u>	<u>0.00</u>	<u>32,225.00</u>	<u>32,224.36</u>	<u>0.64</u>
Total expenditures	<u>32,225.00</u>	<u>0.00</u>	<u>32,225.00</u>	<u>32,224.36</u>	<u>0.64</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00	0.64	0.64
Fund balance - July 1	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.28</u>	<u>0.64</u>
Fund balance - June 30	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1.92</u>	<u>\$ 1.28</u>

Statistical Section

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

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

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

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

WOODBURY HEIGHTS SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
Accrual Basis of Accounting

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	\$ 299,782.03	\$ 462,640.74	\$ 470,330.88	\$ 513,539.98	\$ 138,379.89	\$ 326,275.10	\$ 304,751.34	\$ 382,050.95	\$ 338,829.04	\$ 367,302.75
Restricted	646,857.00	545,417.97	510,881.01	291,866.68	143,573.63	8,553.69	13,332.00	5,134.27	186,123.86	328,429.06
Unrestricted	(536,969.11)	125,756.79	119,861.73	199,609.05	143,629.78	123,357.14	153,442.45	147,725.69	171,935.98	80,111.82
Total governmental activities net position	\$ 409,669.92	\$ 1,133,815.50	\$ 1,101,073.62	\$ 1,005,015.71	\$ 425,583.30	\$ 458,185.93	\$ 471,525.79	\$ 534,910.91	\$ 696,888.88	\$ 775,843.63
Business-type activities:										
Net investment in capital assets	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Restricted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrestricted	12,936.20	16,717.96	14,125.07	15,558.11	23,079.25	24,789.91	48,367.49	51,272.35	55,654.68	44,547.96
Total business-type activities net position	\$ 12,936.20	\$ 16,717.96	\$ 14,125.07	\$ 15,558.11	\$ 23,079.25	\$ 24,789.91	\$ 48,367.49	\$ 51,272.35	\$ 55,654.68	\$ 44,547.96
District-wide activities:										
Net investment in capital assets	\$ 299,782.03	\$ 462,640.74	\$ 470,330.88	\$ 513,539.98	\$ 138,379.89	\$ 326,275.10	\$ 304,751.34	\$ 382,050.95	\$ 338,829.04	\$ 367,302.75
Restricted	646,857.00	545,417.97	510,881.01	291,866.68	143,573.63	8,553.69	13,332.00	5,134.27	186,123.86	328,429.06
Unrestricted	(524,032.91)	142,474.75	133,986.80	215,167.16	166,709.03	148,147.05	201,809.94	198,998.04	227,590.66	124,659.78
Total district-wide activities net position	\$ 422,606.12	\$ 1,150,533.46	\$ 1,115,198.69	\$ 1,020,573.82	\$ 448,662.55	\$ 482,975.84	\$ 519,893.28	\$ 586,183.26	\$ 752,543.56	\$ 820,391.59

In accordance with GASB Statement No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68 and No. 71, which required the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
 Accrual Basis of Accounting

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,472,531.24	\$ 1,472,220.22	\$ 1,413,653.40	\$ 1,391,478.49	\$ 1,433,766.83	\$ 1,396,780.99	\$ 1,391,427.74	\$ 1,354,913.04	\$ 1,372,907.63	\$ 1,365,076.59
Special education	398,205.22	367,099.44	352,552.34	277,619.70	314,714.01	296,012.05	285,630.21	288,694.46	232,054.71	209,510.88
Other instruction	153,257.36	144,123.39	139,426.80	140,179.53	137,217.39	135,262.26	124,959.78	136,636.36	115,776.05	105,864.18
Support services:										
Tuition	198,713.36	207,477.57	226,190.98	215,054.00	306,900.15	289,675.65	224,291.88	226,951.49	232,404.98	80,452.80
Student and instruction related services	503,262.01	503,894.04	476,964.23	461,772.50	482,256.92	504,149.61	407,064.21	393,474.08	316,275.62	337,956.01
General and business administrative services	178,201.78	177,050.52	200,804.69	194,056.78	211,979.64	187,803.87	198,572.30	198,632.17	196,446.90	184,086.33
School administrative services	39,529.78	39,618.10	49,712.89	50,143.75	48,269.98	46,005.92	45,024.90	46,953.34	46,424.64	45,078.30
Central services	80,306.28	81,466.69	78,924.66	76,345.00	74,883.10	70,556.27	66,031.38	64,184.62	62,867.71	62,742.74
Plant operations and maintenance	193,532.55	207,719.35	166,884.58	180,567.33	173,644.20	180,754.18	190,042.22	189,742.71	207,741.27	194,294.25
Pupil transportation	79,118.09	66,621.62	117,932.78	91,678.53	121,187.80	86,186.41	88,168.21	80,643.36	70,221.92	47,949.76
Unallocated benefits	1,222,139.20	723,230.35	732,193.76	618,683.72	596,046.48	597,103.48	577,448.82	797,649.82	763,940.43	629,607.50
Interest on long-term debt	11,967.69	12,738.00	13,507.39	14,636.69	5,462.79	0.00	0.00	0.00	0.00	0.00
Capital outlay	494.03	494.00	493.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unallocated depreciation	121,668.84	38,007.98	38,007.98	38,007.98	41,460.17	42,381.48	40,380.37	45,638.22	34,811.55	34,493.92
Total governmental activities expenses	4,692,927.43	4,041,761.27	4,007,249.48	3,750,224.02	3,947,789.46	3,832,672.17	3,639,042.02	3,824,113.67	3,651,873.41	3,297,113.26
Business-type activities:										
Latchkey	52,605.06	41,572.06	44,282.59	48,965.87	34,764.16	53,643.48	37,622.56	41,175.93	24,386.08	22,858.14
Total business-type activities expenses	52,605.06	41,572.06	44,282.59	48,965.87	34,764.16	53,643.48	37,622.56	41,175.93	24,386.08	22,858.14
Total district expenses	\$ 4,705,532.49	\$ 4,083,333.33	\$ 4,051,532.07	\$ 3,799,189.89	\$ 3,982,553.62	\$ 3,886,315.65	\$ 3,676,664.58	\$ 3,865,289.60	\$ 3,676,259.49	\$ 3,319,971.40
Revenues:										
Governmental activities:										
Operating grants and contributions	\$ 1,184,439.16	\$ 692,294.67	\$ 733,249.56	\$ 687,454.61	\$ 733,149.47	\$ 710,098.93	\$ 651,276.62	\$ 838,693.01	\$ 819,290.21	\$ 686,059.67
Total governmental activities revenues	1,184,439.16	692,294.67	733,249.56	687,454.61	733,149.47	710,098.93	651,276.62	838,693.01	819,290.21	686,059.67
Business-type activities:										
Charges for services:										
Latchkey	48,823.30	44,165.95	42,849.55	41,444.73	33,053.50	30,065.90	34,717.70	36,793.60	35,492.80	29,272.20
Total business-type activities revenues	48,823.30	44,165.95	42,849.55	41,444.73	33,053.50	30,065.90	34,717.70	36,793.60	35,492.80	29,272.20
Total district revenues	\$ 1,233,262.46	\$ 736,460.62	\$ 776,099.11	\$ 728,899.34	\$ 766,202.97	\$ 740,164.83	\$ 685,994.32	\$ 875,486.61	\$ 854,783.01	\$ 715,331.87

WOODBURY HEIGHTS SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (expenses)/revenues:										
Governmental activities	\$ (3,468,488.27)	\$ (3,349,466.60)	\$ (3,273,999.92)	\$ (3,062,769.41)	\$ (3,214,639.99)	\$ (3,122,573.24)	\$ (2,987,765.40)	\$ (2,985,420.66)	\$ (2,832,583.20)	\$ (2,611,053.59)
Business-type activities	(3,781.76)	2,593.89	(1,433.04)	(7,521.14)	(1,710.66)	(23,577.58)	(2,904.86)	(4,382.33)	11,106.72	6,414.06
Total district-wide net expenses	\$ (3,472,270.03)	\$ (3,346,872.71)	\$ (3,275,432.96)	\$ (3,070,290.55)	\$ (3,216,350.65)	\$ (3,146,150.82)	\$ (2,990,670.26)	\$ (2,989,802.99)	\$ (2,821,476.48)	\$ (2,604,639.53)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,428,043.00	\$ 2,356,214.00	\$ 2,310,014.00	\$ 2,299,254.00	\$ 2,220,314.00	\$ 2,016,745.00	\$ 1,919,233.00	\$ 1,740,439.00	\$ 1,740,438.96	\$ 1,844,810.00
Property taxes levied for debt service, net	32,225.00	32,995.00	33,765.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal and state aid not restricted	983,068.00	1,006,791.00	990,765.00	982,233.50	1,161,123.80	1,063,928.00	1,002,608.00	1,039,940.00	971,020.10	1,048,861.40
Tuition	18,000.18	0.00	16,477.83	21,459.72	0.00	0.00	0.00	0.00	2,100.00	0.00
Investment earnings	2,038.30	1,913.24	5,184.56	6,261.82	4,287.36	1,568.46	2,092.38	15,325.12	29,750.96	19,904.73
Miscellaneous income	386.20	1,170.27	6,926.86	3,471.71	55,814.06	31,274.24	2,100.00	23,000.13	543.71	1,934.57
Fixed assets:										
Fixed asset transactions/contracts payable	0.00	0.00	0.00	327,962.39	(229,883.70)	0.00	0.00	0.00	5,047.44	0.00
Prior period adjustment	(77,546.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment to accounts payable	0.00	0.00	3,004.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment restatement of deferred revenue	0.00	(20,795.73)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment - capital projects fund balance	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term debt:										
Capital leases	0.00	0.00	0.00	0.00	(27,492.71)	0.00	0.00	1,869.33	0.00	0.00
Compensated absences (increase) reduction	(7,316.57)	3,920.70	3,920.21	1,558.68	(2,125.45)	(4,282.32)	(1,653.10)	2,869.11	4,782.38	(1,479.92)
Total governmental activities	3,378,897.69	3,382,208.48	3,370,057.83	3,642,201.82	3,182,037.36	3,109,233.38	2,924,380.28	2,823,442.69	2,753,683.55	2,914,030.78
Business-type activities:										
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total business-type activities	0.00									
Total district-wide activities	\$ 3,378,897.69	\$ 3,382,208.48	\$ 3,370,057.83	\$ 3,642,201.82	\$ 3,182,037.36	\$ 3,109,233.38	\$ 2,924,380.28	\$ 2,823,442.69	\$ 2,753,683.55	\$ 2,914,030.78
Change in net position:										
Governmental activities	\$ (89,590.58)	\$ 32,741.88	\$ 96,057.91	\$ 579,432.41	\$ (32,602.63)	\$ (13,339.86)	\$ (63,385.12)	\$ (161,977.97)	\$ (78,899.65)	\$ 302,977.19
Business-type activities	(3,781.76)	2,593.89	(1,433.04)	(7,521.14)	(1,710.66)	(23,577.58)	(2,904.86)	(4,382.33)	11,106.72	6,414.06
Total district-wide	\$ (93,372.34)	\$ 35,335.77	\$ 94,624.87	\$ 571,911.27	\$ (34,313.29)	\$ (36,917.44)	\$ (66,289.98)	\$ (166,360.30)	\$ (67,792.93)	\$ 309,391.25

In accordance with GASB Statement No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68 and No. 71, which required the District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

WOODBURY HEIGHTS SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund:										
Reserved	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,553.69	\$ 13,332.00	\$ 5,134.27	\$ 186,123.86	\$ 382,859.98
Unreserved	0.00	0.00	0.00	0.00	0.00	164,558.70	153,442.45	182,991.83	171,935.98	68,598.53
Restricted	611,018.33	497,533.28	435,978.91	236,421.72	5.00	0.00	0.00	0.00	0.00	0.00
Assigned	4,643.19	16,684.81	22,912.13	78,460.63	77,832.00	0.00	0.00	0.00	0.00	0.00
Unassigned	149,880.00	163,759.00	162,041.00	170,960.50	116,801.58	0.00	0.00	0.00	0.00	0.00
Total general fund	\$ 765,541.52	\$ 677,977.09	\$ 620,932.04	\$ 485,842.85	\$ 194,638.58	\$ 173,112.39	\$ 166,774.45	\$ 188,126.10	\$ 358,059.84	\$ 451,458.51
All other governmental funds:										
Restricted:										
Debt service fund	\$ 1.92	\$ 1.25	\$ 0.64	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Capital projects fund	31,193.56	31,193.60	51,989.33	51,989.33	140,736.63	0.00	0.00	0.00	0.00	0.00
Total all other governmental funds	\$ 31,195.48	\$ 31,194.85	\$ 51,989.97	\$ 51,989.33	\$ 140,736.63	\$ 0.00				

In accordance with GASB Statement No. 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Changes In Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Modified Accrual Basis of Accounting

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax levy	\$ 2,460,268.00	\$ 2,389,209.00	\$ 2,343,779.00	\$ 2,299,254.00	\$ 2,220,314.00	\$ 2,016,745.00	\$ 1,919,233.00	\$ 1,740,439.00	\$ 1,740,438.96	\$ 1,844,810.00
Tuition	18,000.18	0.00	16,477.83	21,459.72	0.00	0.00	0.00	0.00	2,100.00	0.00
Interest earnings	2,038.30	1,913.24	0.00	6,261.82	4,287.36	1,568.46	2,092.38	15,325.12	0.00	1.00
Miscellaneous	386.20	1,170.27	12,111.42	3,471.71	55,814.06	31,274.24	2,100.00	23,000.13	30,294.67	21,838.30
State sources	1,642,086.12	1,564,360.01	1,594,707.09	1,489,887.63	1,430,468.65	1,440,703.53	1,524,188.34	1,760,065.94	1,639,543.82	1,633,032.72
Federal sources	124,303.89	134,725.66	129,307.47	179,746.12	212,126.62	333,323.40	129,696.28	118,567.07	147,711.39	101,888.35
Total revenues	4,247,082.69	4,091,378.18	4,096,382.81	4,000,081.00	3,923,010.69	3,823,614.63	3,577,310.00	3,657,397.26	3,560,088.84	3,601,570.37
Expenditures:										
Instruction:										
Regular instruction	1,480,091.75	1,448,910.02	1,389,895.36	1,367,300.98	1,433,766.83	1,396,780.99	1,391,427.74	1,354,913.04	1,372,907.63	1,365,076.59
Special education instruction	398,265.22	367,099.44	352,552.34	277,619.70	314,714.01	296,012.05	285,630.21	288,694.46	232,054.71	209,510.88
Other instruction	153,257.36	144,123.39	139,426.80	140,179.53	137,217.39	135,262.26	124,959.78	136,636.36	115,776.03	105,864.18
Support services:										
Tuition	198,713.36	207,477.57	226,190.98	215,054.00	306,900.15	289,675.65	224,291.88	226,951.49	232,404.98	80,452.80
Student and instruction related services	503,262.01	503,894.04	476,964.23	461,772.50	482,256.92	504,149.61	407,064.21	393,474.08	316,275.62	337,956.01
General administration	178,201.78	175,934.77	199,688.94	192,941.03	211,979.64	187,803.87	198,572.30	198,632.17	196,446.90	184,086.33
School administrative services	39,529.78	39,618.10	49,712.89	50,143.75	48,269.98	46,005.92	45,024.90	46,953.34	46,424.64	45,078.30
Central services	80,306.28	81,466.69	78,924.66	76,345.00	74,883.10	70,556.27	66,031.38	64,184.62	62,867.71	62,742.74
Plant operations and maintenance	193,532.55	207,392.02	166,557.25	180,240.00	173,644.20	180,754.18	190,042.22	189,742.71	207,741.27	194,294.25
Pupil transportation	79,118.09	66,621.62	117,932.78	91,678.55	121,187.80	86,186.41	88,168.21	80,643.36	70,221.92	47,949.76
Employee benefits	813,790.05	723,230.35	732,193.76	618,629.36	596,046.48	597,103.48	577,448.82	797,649.82	763,940.43	629,607.50
Capital outlay	9,290.03	35,365.12	493.00	91,185.27	28,110.71	26,986.00	0.00	48,855.35	39,425.65	138,446.01
Debt service:										
Principal	20,000.00	20,000.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	12,224.36	12,994.36	13,764.36	14,534.36	0.00	0.00	0.00	0.00	0.00	0.00
Total expenditures	4,159,522.62	4,034,327.49	3,964,297.35	3,797,624.03	3,928,977.21	3,817,276.69	3,598,661.65	3,827,331.00	3,656,487.51	3,401,065.35
Excess (deficiency) of revenues over (under) expenditures	87,560.07	57,050.69	132,085.46	202,456.97	(5,966.52)	6,337.94	(21,351.65)	(169,933.74)	(96,398.67)	200,505.02
Other financing sources (uses):										
Transfers in	0.00	0.00	0.00	0.36	0.00	0.00	0.00	0.00	0.00	0.00
Transfers out	0.00	0.00	0.00	(0.36)	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment of accounts payable	0.00	0.00	3,004.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment restatement of deferred revenue	0.00	(20,795.73)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior period adjustment - capital projects fund balance	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital leases (non-budgeted)	0.00	0.00	0.00	0.00	27,492.71	0.00	0.00	0.00	0.00	0.00
Net change in fund balances	\$ 87,560.03	\$ 36,254.96	\$ 135,089.83	\$ 202,456.97	\$ 21,526.19	\$ 6,337.94	\$ (21,351.65)	\$ (169,933.74)	\$ (96,398.67)	\$ 200,505.02
Debt service as a percentage of noncapital expenditures	0.78%	0.83%	0.85%	0.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central services and administrative information technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, central services and administrative information technology were combined in other support services as business and other support services.

Source: District records.

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WOODBURY HEIGHTS SCHOOL DISTRICT
General Fund Other Local Revenue By Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

Fiscal Year Ended June 30	Tuition and Tuition Adjustments	Interest On Investments	Prior Year Voided Checks and Refunds	Homeless Tuition	Donations	Miscellaneous	Total
2015	\$ 18,000.18	\$ 2,038.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 386.20	\$ 20,424.68
2014	0.00	1,913.24	0.00	0.00	0.00	1,170.27	3,083.51
2013	0.00	5,184.56	0.00	16,477.83	0.00	6,926.86	28,589.25
2012	0.00	1,913.24	0.00	0.00	0.00	3,471.71	5,384.95
2011	0.00	4,287.36	26,022.12	29,234.00	0.00	557.94	60,101.42
2010	0.00	1,568.46	0.00	0.00	0.00	31,274.24	32,842.70
2009	0.00	2,092.38	0.00	0.00	0.00	55,814.06	57,906.44
2008	4,300.00	15,325.12	0.00	0.00	2,728.00	15,972.13	38,325.25
2007	2,100.00	30,063.32	0.00	0.00	0.00	231.35	32,394.67
2006	0.00	19,904.73	0.00	0.00	0.00	1,934.57	21,839.30

Source: District records.

WOODBURY HEIGHTS SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Vacant Land	Residential	Farm - Regular	Farm - Qualified	Commercial	Industrial	Apartments	Total Assessed Value	Less: Tax Exempt Property	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate**
2015	\$ 7,163,100.00	\$ 191,274,400.00	\$ 0.00	\$ 0.00	\$ 47,745,100.00	\$ 7,163,700.00	\$ 300,000.00	\$ 253,646,300.00	\$ 0.00	\$ 663,967.00	\$ 254,310,267.00	\$ 261,697,969.00	\$ 0.9880
2014	7,266,700.00	191,390,700.00	0.00	0.00	50,974,700.00	6,167,800.00	300,000.00	256,099,900.00	0.00	637,377.00	256,757,277.00	260,980,707.00	0.9440
2013	7,361,400.00	191,765,800.00	0.00	0.00	54,773,000.00	6,158,500.00	300,000.00	260,358,700.00	0.00	730,428.00	261,089,128.00	266,660,441.00	0.9060
2012	2,492,600.00	153,714,000.00	0.00	0.00	32,844,000.00	7,411,800.00	507,200.00	196,969,600.00	0.00	483,976.00	197,453,576.00	305,915,129.00	1.1430
2011	2,494,600.00	153,772,100.00	0.00	0.00	30,547,000.00	8,911,800.00	507,200.00	196,232,700.00	0.00	675,090.00	196,907,790.00	298,878,493.00	1.0760
2010	2,494,600.00	153,800,500.00	0.00	0.00	28,775,200.00	8,911,800.00	507,200.00	194,489,300.00	0.00	309,055.00	194,798,355.00	308,981,134.00	1.0110
2009	2,826,400.00	153,152,000.00	0.00	0.00	28,829,500.00	8,911,800.00	507,200.00	194,226,900.00	0.00	313,049.00	194,539,949.00	291,598,734.00	0.9410
2008	3,095,900.00	151,837,500.00	0.00	0.00	29,895,900.00	8,911,800.00	507,200.00	194,246,300.00	0.00	325,845.00	194,574,145.00	267,884,350.00	0.8940
2007	3,183,700.00	151,021,900.00	0.00	0.00	29,867,900.00	8,911,800.00	507,200.00	193,492,500.00	0.00	343,931.00	193,836,431.00	232,949,437.00	0.9250
2006	3,346,800.00	149,578,300.00	0.00	0.00	29,634,200.00	8,911,800.00	507,200.00	191,978,300.00	0.00	420,219.00	192,398,519.00	210,205,182.00	0.8950

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the county board of taxation requests treasury to order a reassessment.

Source: Municipal tax assessor.

*Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies

**Tax rates are per \$100.

WOODBURY HEIGHTS SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years

Fiscal Year Ended June 30	District's Direct Rate			Overlapping Rates			Total Direct And Overlapping Tax Rate
	Basic Rate*	General Obligation Debt Service**	(From J-6) Total Direct School Tax Rate	Regional High School	Municipality	County	
2015	\$ 0.975	\$ 0.013	\$ 0.988	\$ 1.234	\$ 1.103	\$ 0.720	\$ 4.045
2014	0.931	0.013	0.944	1.189	1.065	0.673	3.871
2013	0.893	0.013	0.906	1.160	1.021	0.659	3.746
2012	1.134	0.009	1.143	1.514	1.232	0.900	4.789
2011	1.076	0.000	1.076	1.447	1.206	0.897	4.626
2010	1.011	0.000	1.011	1.423	1.151	0.938	4.523
2009	0.941	0.000	0.941	1.355	1.075	0.888	4.259
2008	0.894	0.000	0.894	1.311	0.976	0.819	4.000
2007	0.925	0.000	0.925	1.234	0.881	0.764	3.804
2006	0.895	0.000	0.895	1.126	0.831	0.749	3.601

Source: Municipal Tax Collector.

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudgeted year net budget by more than the spending growth limitation calculated as follows: the prebudgeted year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

*The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

**Rates for debt service are based on each year's requirements.

WOODBURY HEIGHTS SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2015		2006	
	Taxable Assessed Value	Percentage Of Total District Net Assessed Value	Taxable Assessed Value	Percentage Of Total District Net Assessed Value
Oak Valley Plaza, Inc.	\$ 11,938,000	4.57%	\$ 3,920,500	2.02%
Woodbury Heights Development, LLC	3,300,000	1.26%	0	0.00%
WaWa, Inc.	2,555,500	0.98%	1,701,500	0.88%
HCD Realty, LLC	2,112,200	0.81%	1,094,500	0.56%
Balducci, Inc.	1,830,000	0.70%	0	0.00%
Dellapolla Properties, LLC	1,543,200	0.59%	0	0.00%
Heights Plaza, LLC	1,362,500	0.52%	0	0.00%
McDonalds Corporation	1,357,000	0.52%	1,117,300	0.58%
Jonathan Advisors, Ltd Part	1,341,800	0.51%	0	0.00%
Broadway & Holly, LLC	1,322,400	0.51%	0	0.00%
The Gilbert Partnership	0	0.00%	2,950,000	2.01%
M & M Della Polla	0	0.00%	1,178,600	0.61%
Gliger, J. and Phalines, R.	0	0.00%	1,158,300	0.60%
A.D. Bleznak	0	0.00%	1,108,900	0.57%
Karolidis, S. and F.	0	0.00%	874,000	0.45%
Herskowitz, H. and R.	0	0.00%	810,700	0.42%
Total	\$ 28,662,600	10.98%	\$ 15,914,300	8.70%

Source: Municipal Tax Assessor.

WOODBURY HEIGHTS SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of the Levy*		Collections In Subsequent Year
		Current Amount	Percentage Of Levy	
2015	\$ 2,460,268.00	\$ 2,460,268.00	100.00%	\$ 0.00
2014	2,389,204.00	2,389,204.00	100.00%	0.00
2013	2,343,779.00	2,343,779.00	100.00%	0.00
2012	2,299,254.00	2,299,254.00	100.00%	0.00
2011	2,220,314.00	2,220,314.00	100.00%	0.00
2010	2,016,745.00	2,016,745.00	100.00%	0.00
2009	1,919,233.00	1,919,233.00	100.00%	0.00
2008	1,740,439.00	1,740,439.00	100.00%	0.00
2007	1,844,810.00	1,844,810.00	100.00%	0.00
2006	1,598,749.00	1,598,749.00	100.00%	0.00

Source: District records including the certificate and report of school taxes (A4F Form).

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

WOODBURY HEIGHTS SCHOOL DISTRICT
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Total District	Percentage Of Personal Income*	Per Capita*
	General Obligation Bonds	Capital Leases			
2015	\$ 297,516.00	\$ 0.00	\$ 297,516.00	Not Available	99
2014	317,516.00	7,560.51	325,076.51	0.24%	108
2013	337,516.00	14,642.85	352,158.85	0.26%	116
2012	357,516.00	21,277.57	378,793.57	0.29%	124
2011	377,516.00	0.00	377,516.00	0.30%	123
2010	0.00	0.00	0.00	0.00%	0
2009	0.00	0.00	0.00	0.00%	0
2008	0.00	0.00	0.00	0.00%	0
2007	0.00	1,869.33	1,869.33	0.00%	1
2006	0.00	1,869.33	1,869.33	0.00%	1

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

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

WOODBURY HEIGHTS SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage Of Actual Taxable Value Of Property*	Per Capita**
2015	\$ 297,516.00	\$ 297,516.00	0.12%	\$ Not Available
2014	317,516.00	317,516.00	0.12%	105
2013	337,516.00	337,516.00	0.13%	111
2012	357,516.00	357,516.00	0.18%	117
2011	377,516.00	377,516.00	0.19%	123
2010	0.00	0.00	0.00%	0
2009	0.00	0.00	0.00%	0
2008	0.00	0.00	0.00%	0
2007	0.00	0.00	0.00%	0
2006	0.00	0.00	0.00%	0

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

*See Exhibit J-6 for property tax data.

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

WOODBURY HEIGHTS SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share Of Overlapping Debt
Debt repaid with property taxes:			
Municipality **	\$ 2,084,250.00	100.00%	\$ 2,084,250.00
County general obligation debt	247,960,222.11	1.03%	2,553,990.29
Regional high school district**	6,205,000.00	29.00%	<u>1,796,257.74</u>
Subtotal - overlapping debt			6,434,498.03
District's direct debt			<u>297,516.00</u>
Total direct and overlapping debt			<u><u>\$ 6,732,014.03</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation.

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

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

** As of December 31, 2014 since June 30, 2015 was not available.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2015:

Equalized valuation basis:	
2014	\$ 262,451,220.00
2013	263,494,282.00
2012	<u>271,493,849.00</u>
	<u>\$ 797,439,351.00</u>
Average equalized valuation of taxable property	\$ 265,813,117.00
Debt limit (2.5% of average equalized value)*	\$ 6,645,327.93
Total net debt applicable to limit	<u>297,516.00</u>
Legal debt margin	<u>\$ 6,347,811.93</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 6,645,327.93	\$ 6,754,238.53	\$ 7,082,800.63	\$ 7,531,752.34	\$ 7,531,752.34	\$ 7,182,251.54	\$ 7,182,251.54	\$ 6,538,436.65	\$ 5,859,649.49	\$ 5,257,067.95
Total net debt applicable to limit	<u>297,516.00</u>	<u>317,516.00</u>	<u>337,516.00</u>	<u>357,516.00</u>	<u>377,516.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Legal debt margin	<u>\$ 6,347,811.93</u>	<u>\$ 6,436,722.53</u>	<u>\$ 6,745,284.63</u>	<u>\$ 7,174,236.34</u>	<u>\$ 7,154,236.34</u>	<u>\$ 7,182,251.54</u>	<u>\$ 7,182,251.54</u>	<u>\$ 6,538,436.65</u>	<u>\$ 5,859,649.49</u>	<u>\$ 5,257,067.95</u>
Total net debt applicable to the limit as a percentage of debt limit	4.48%	4.70%	4.77%	4.75%	5.01%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey, Department of Treasury, Division of Taxation.

*Limit set by N.J.S.A. 18A:24-19 for a K-6 district; other percentage limits would be applicable for other district types.

WOODBURY HEIGHTS SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population*	Personal Income**	Per Capita Personal Income***	Unemployment Rate****
2014	3,002	Not Available	Not Available	4.80%
2013	3,020	\$ 136,410,380.00	\$ 45,169.00	5.50%
2012	3,029	135,905,172.00	44,868.00	7.30%
2011	3,063	129,341,301.00	42,227.00	7.10%
2010	3,058	126,408,546.00	41,337.00	7.30%
2009	3,053	122,272,650.00	40,050.00	6.90%
2008	3,056	123,450,176.00	40,396.00	4.60%
2007	3,046	116,034,324.00	38,094.00	3.60%
2006	3,029	110,637,254.00	36,526.00	3.90%
2005	3,008	103,622,592.00	34,449.00	3.60%

*Population information provided by the New Jersey Department of Labor and Workforce Development.

**Personal income has been estimated based upon the municipal population and per capita personal income presented.

***Per capita personal income by municipality estimated based upon the 2000 census published by the U.S. Bureau of Economic Analysis.

****Unemployment data provided by the New Jersey Department of Labor and Workforce Development.

WOODBURY HEIGHTS SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

Employer	2015		2006	
	Employees	Percentage Of Total Municipal Employment	Employees	Percentage Of Total Municipal Employment
Inspira Health	1,825	N/A	N/A	N/A
Kennedy Memorial Hospital	1,675	N/A	N/A	N/A
Rowan University	1,483	N/A	N/A	N/A
Missa Bay, L.L.C.	950	N/A	N/A	N/A
U.S. Foodservices	725	N/A	N/A	N/A
ExxonMobil Research & Engineering	540	N/A	N/A	N/A
LaBrea Bakery	525	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	N/A	N/A	N/A
Drugstore.com	450	N/A	N/A	N/A
Heritage Dairy Stores	450	N/A	N/A	N/A
Total	9,123	0.000%	0	0.000%

Source: Gloucester County Office of Economic Development and Employer Directly.

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

N/A - Information not available

WOODBURY HEIGHTS SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	23	23	23	20	20	20	20	20	20	19
Special education	4	3	3	3	3	3	3	3	2	2
Support services:										
General administration	1	1	1	0	0	0	1	1	1	1
School administrative services	2	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	2	2	2	2	2	2	2	2	2	2
Other support services	2	2	2	1	1	1	1	1	1	1
Total	34	33	33	28	28	28	29	29	28	27

Source: District personnel records.

WOODBURY HEIGHTS SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher	Average Daily Enrollment***	Average Daily Attendance***	Percentage Change In Average Daily Enrollment	Student Attendance Percentage
						Ratio Elementary				
2015	221	\$ 4,150,232.59	\$ 18,779	4.26%	27	8.18:1	220.3	209.6	3.07%	95.14%
2014	222	3,998,762.37	18,012	4.52%	23	9.66:1	213.7	205.3	-4.37%	96.04%
2013	230	3,963,804.35	17,234	0.43%	23	10.0:1	223.5	213.2	2.66%	95.39%
2012	216	3,706,438.76	17,159	-2.78%	20	10.8:1	217.7	208.1	-1.23%	95.59%
2011	221	3,900,866.50	17,651	9.90%	20	11.05:1	220.4	210.3	-6.29%	95.42%
2010	236	3,790,290.69	16,061	7.56%	20	11.8:1	235.2	224.3	0.09%	95.37%
2009	241	3,598,661.65	14,932	-9.50%	20	12.1:1	235.0	224.3	0.69%	95.45%
2008	229	3,778,475.45	16,500	10.85%	23	11.5:1	233.4	223.7	-4.34%	95.84%
2007	243	3,617,061.86	14,885	9.04%	20	12.2:1	244.0	236.7	2.09%	97.01%
2006	239	3,262,619.34	13,651	9.56%	19	12.6:1	239.0	231.0	-6.97%	96.65%

Source: District's records.

Note: Enrollment based on annual October district count.

*Operating expenditures equal total expenditures less debt service and capital outlay.

**Teaching staff includes only full-time equivalents of certified staff.

***Average daily enrollment and average daily attendance are obtained from the school register summary.

WOODBURY HEIGHTS SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District buildings:										
Elementary:										
Woodbury Heights Elementary School (N/A):										
Square feet	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671
Capacity (students)	259	259	259	259	259	259	259	259	259	259
Enrollment	221	222	230	216	221	236	241	229	243	239

Number of schools at June 30, 2015:
 Elementary = 1

Source: District facilities office.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October District count.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance
 For School Facilities
 11-000-261-xxx

School Facilities*	Project Number	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Woodbury Heights Elementary School	N/A	\$ 25,826.81	\$ 46,714.93	\$ 17,580.72	\$ 20,442.34	\$ 18,489.00	\$ 19,831.38	\$ 20,189.84	\$ 18,345.98	\$ 19,170.00	\$ 15,516.70
Total school facilities		<u>25,826.81</u>	<u>46,714.93</u>	<u>17,580.72</u>	<u>20,442.34</u>	<u>18,489.00</u>	<u>19,831.38</u>	<u>20,189.84</u>	<u>18,345.98</u>	<u>19,170.00</u>	<u>15,516.70</u>
Grand total		\$ 25,826.81	\$ 46,714.93	\$ 17,580.72	\$ 20,442.34	\$ 18,489.00	\$ 19,831.38	\$ 20,189.84	\$ 18,345.98	\$ 19,170.00	\$ 15,516.70

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

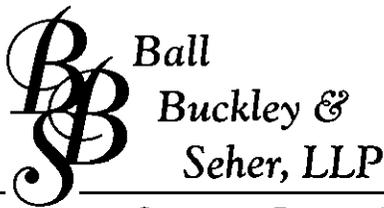
Source: District records.

WOODBURY HEIGHTS SCHOOL DISTRICT
Insurance Schedule
June 30, 2015
Unaudited

	<u>Coverage</u>	<u>GCSSDJIF Self Insured Retention</u>	<u>Deductible</u>
School package policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property, Inland Marine and Automobile			
Physical Damages	\$ 150,000,000.00	\$ 250,000.00	\$ 500.00
General and Automobile Liability	10,000,000.00	250,000.00	None
Boiler and machinery	125,000,000.00	None	1,000.00
Crime	500,000.00	250,000.00	500.00
Educator's legal liability	10,000,000.00	100,000.00	None
Worker's compensation and employers' liability	Statutory	250,000.00	None
Pollution legal liability	3,000,000.00	None	25,000.00
* Excess and reinsurance carriers involved:			
Property and crime		SPELLJIF, Selective Ins. Co. of America Axis Surplus Insurance Company Westchester Surplus Lines Ins. Co. Alterra Excess & Surplus Ins. Co. Alliance Global Corporate & Specialty Marine Ins. Co. RSUI Indemnity Co.	
General liability, automobile liability, workers' compensation, educator's legal liability		SPELLJIF, Selective Ins. Co. of America	
* Group purchase of primary insurance coverage carrier array			
Boiler and machinery		Travelers Insurance Company	
Pollution legal liability		ACE American Ins. Co.	
Selective Insurance Company:			
Board secretary/business administrator	20,000.00	-	N/A
Treasurer of school monies	135,000.00	-	N/A

Source: District records.

Single Audit Section



CERTIFIED PUBLIC ACCOUNTANTS



**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**

**(No Material Weaknesses Identified, No Significant Deficiencies Identified,
No Reportable Instances of Noncompliance or Other Matters Identified)**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Borough of Woodbury Heights School District
County of Gloucester
Woodbury Heights, New Jersey

We have audited the financial statements of the Board of Education of the Borough of Woodbury Heights School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 17, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of new accounting principles.

Internal Control Over Financial Reporting

The Board of Education of the Borough of Woodbury Heights School District is responsible for establishing and maintaining effective internal controls over financial reporting.

In planning and performing our audit, we considered the Board of Education of the Borough of Woodbury Heights School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Borough of Woodbury Heights School District's internal control over financial reporting. Accordingly, We do not express an opinion on the effectiveness of the Board of Education of the Borough of Woodbury Heights School District's internal control over financial reporting.

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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Education of the Borough of Woodbury Heights School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Education of the Borough of Woodbury Heights School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Borough of Woodbury Heights School District's internal control. -117-

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Education of the Borough of Woodbury Heights School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We noted certain matters that we reported to the Board of Education of the Borough of Woodbury Heights School District in a separate report entitled Auditor's Management Report On Administrative Findings - Financial, Compliance, and Performance dated December 17, 2015.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Borough of Woodbury Heights School District's financial statements are free of 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 Division of Administration and Finance, Department of Education, State of New Jersey. We noted certain matters that we reported to the Board of Education of the Borough of Woodbury Heights School District in a separate report entitled Auditor's Management Report on Administrative Findings - Financial, Compliance, and Performance dated December 17, 2015.

This report is intended solely for the information and use of the audit committee, management, the Board of Education of the Borough of Woodbury Heights School District, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants
Woodbury, New Jersey



Wayne W. Buckley
Licensed Public School Accountant No. 240

December 17, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE
SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 15-08**

**(Unmodified Opinion on Compliance; No Material Weaknesses
Or Significant Deficiencies in Internal Control Over Compliance Identified)**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Borough of Woodbury Heights School District
County of Gloucester
Woodbury Heights, New Jersey

Report on Compliance for Each Major Program

We have audited the compliance of the Board of Education of the Borough of Woodbury Heights School District, County of Gloucester, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2015. The Board of Education of the Borough of Woodbury Heights School District's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major programs is the responsibility of the Board of Education of the Borough of Woodbury Heights School District's management. Our responsibility is to express an opinion on the Board of Education of the Borough of Woodbury Heights School District's compliance based on our audit.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Borough of Woodbury Heights School District's major 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; the audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133, and New Jersey OMB's Circular 15-08 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 program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Borough of Woodbury Heights School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education of the Borough of Woodbury Heights School District's compliance with those requirements.

Opinion of Each Major Program

In our opinion, the Board of Education of the Borough of Woodbury Heights School District complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Board of Education of the Borough of Woodbury Heights School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Borough of Woodbury Heights School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, 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 Board of Education of the Borough of Woodbury Heights School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance Required by OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement

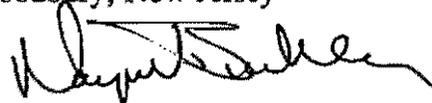
We have audited the financial statements of the Board of Education of the Borough of Woodbury Heights School District's as of and for the year ended June 30, 2015 and have issued our report thereon dated December 17, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement and are not a required part of the 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 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 financial statements or to the 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 the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of Education of the Borough of Woodbury Heights School District, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants
Woodbury, New Jersey



Wayne W. Buckley
Licensed Public School Accountant No. 240

December 17, 2015

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2015

State Object/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014		Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reapportion of Prior Years' Balance	Unearned Revenue	Due to Creditor	Budgetary Receivable	Cumulative Total Expenditures
				(Accounts Receivable)	Balance								
General Fund:													
Examination aid	14-495-004-5120-078	07/01/13-06/30/14	\$50,018.00	\$	\$	0.00	74,159.63	0.00	0.00	0.00	0.00	0.00	\$
Special education aid	15-495-004-5120-078	07/01/14-06/30/15	550,018.00	0.00	0.00	0.00	764,624.62	0.00	0.00	0.00	0.00	85,393.34	850,018.00
Special education categorical aid	14-494-004-5120-080	07/01/13-06/30/14	132,086.00	(11,573.81)	0.00	0.00	11,573.81	0.00	0.00	0.00	0.00	0.00	0.00
Special education sub-categorical aid	15-495-004-5120-080	07/01/14-06/30/15	132,086.00	0.00	0.00	0.00	118,816.58	0.00	0.00	0.00	0.00	13,269.45	132,086.00
Security aid	14-494-004-5120-084	07/01/13-06/30/14	4,841.00	(422.24)	0.00	0.00	422.24	0.00	0.00	0.00	0.00	0.00	0.00
Security aid	14-494-004-5120-084	07/01/14-06/30/15	4,841.00	0.00	0.00	0.00	4,354.67	0.00	0.00	0.00	0.00	486.33	4,841.00
PARCC readiness aid	15-495-004-5120-098	07/01/14-06/30/15	2,420.00	0.00	0.00	0.00	1,907.03	0.00	0.00	0.00	0.00	512.97	2,420.00
Per pupil growth aid	15-495-004-5120-097	07/01/14-06/30/15	2,128.00	0.00	0.00	0.00	977,715.68	0.00	0.00	0.00	0.00	212.97	2,128.00
				(58,105.73)	0.00	0.00	977,715.68	0.00	0.00	0.00	0.00	99,375.10	991,090.78
Transportation aid	14-495-004-5120-014	07/01/13-06/30/14	5,424.00	(475.22)	0.00	0.00	475.22	0.00	0.00	0.00	0.00	0.00	0.00
Transportation aid	15-495-004-5120-014	07/01/14-06/30/15	5,424.00	0.00	0.00	0.00	4,678.19	0.00	0.00	0.00	0.00	744.90	5,424.00
				(475.22)	0.00	0.00	5,352.32	0.00	0.00	0.00	0.00	744.90	5,424.00
Reimbursement of nonpublic school transportation costs		07/01/13-06/30/14	358.00	(338.00)	0.00	0.00	338.00	0.00	0.00	0.00	0.00	0.00	0.00
Homeless tuition reimbursement		07/01/13-06/30/14	4,019.28	(6,019.28)	0.00	0.00	6,019.28	0.00	0.00	0.00	0.00	0.00	0.00
				(6,019.28)	0.00	0.00	6,019.28	0.00	0.00	0.00	0.00	0.00	0.00
Oshtahl T.P.A.F. position contributions	15-495-004-5095-005	07/01/14-06/30/15	88,854.00	0.00	0.00	0.00	88,854.00	0.00	0.00	0.00	0.00	0.00	88,854.00
Oshtahl post retirement medical contribution	15-495-004-5095-006	07/01/14-06/30/15	141,055.00	0.00	0.00	0.00	141,055.00	0.00	0.00	0.00	0.00	0.00	141,055.00
Reimburse T.P.A.F. social security contributions	14-494-004-5095-003	07/01/13-06/30/14	131,015.70	(5,501.84)	0.00	0.00	5,501.84	0.00	0.00	0.00	0.00	0.00	0.00
Reimburse T.P.A.F. health security contributions	15-495-004-5095-002	07/01/14-06/30/15	133,233.69	0.00	0.00	0.00	117,143.93	0.00	0.00	0.00	0.00	16,089.76	133,233.69
				(5,501.84)	0.00	0.00	141,315.77	0.00	0.00	0.00	0.00	16,089.76	133,233.69
Total general fund				(98,577.84)	0.00	0.00	1,242,069.77	1,249,731.69	0.00	(102,209.26)	0.00	100,120.00	1,229,518.00
Special revenue fund:													
New Jersey taxable aid:													
Textbook aid	14-100-004-5120-064	07/01/13-06/30/14	21,501.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Textbook aid	15-100-004-5120-064	07/01/14-06/30/15	21,965.00	0.00	0.00	0.00	21,965.00	0.00	0.00	0.00	0.00	0.00	21,965.00
				0.00	0.00	0.00	21,965.00	0.00	0.00	0.00	0.00	0.00	21,965.00
Reading aid	15-100-004-5120-070	07/01/14-06/30/15	35,095.00	0.00	0.00	0.00	35,095.00	0.00	0.00	0.00	0.00	0.00	35,095.00
Technology	15-100-004-5120-373	07/01/14-06/30/15	11,898.00	0.00	0.00	0.00	11,898.00	0.00	0.00	0.00	0.00	0.00	11,898.00
Auxiliary services:													
Compensatory education	14-100-004-5120-067	07/01/13-06/30/14	107,353.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compensatory education	15-100-004-5120-066	07/01/14-06/30/15	111,079.00	0.00	0.00	0.00	111,079.00	0.00	0.00	0.00	0.00	0.00	111,079.00
Transportation	14-100-004-5120-067	07/01/13-06/30/14	48,471.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation	15-100-004-5120-067	07/01/14-06/30/15	19,517.00	0.00	0.00	0.00	19,517.00	0.00	0.00	0.00	0.00	0.00	19,517.00
Home instruction	13-100-004-5120-067	07/01/12-06/30/13	3,108.45	(1,263.02)	0.00	0.00	3,265.00	(0.00)	0.00	0.00	0.00	0.00	0.00
Home instruction	15-100-004-5120-067	07/01/14-06/30/15	10,320.58	(1,265.02)	0.00	0.00	13,181.00	(15,819.00)	0.00	0.00	0.00	0.00	15,818.78
				(1,265.02)	0.00	0.00	13,181.00	(15,819.00)	0.00	0.00	0.00	0.00	13,181.00
Nonfunded services:													
Supplementary instruction	14-100-004-5120-066	07/01/13-06/30/14	20,121.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Supplementary instruction	15-100-004-5120-066	07/01/14-06/30/15	24,324.00	0.00	0.00	0.00	24,324.00	0.00	0.00	0.00	0.00	0.00	24,324.00
Examination and standards	14-100-004-5120-066	07/01/13-06/30/14	54,674.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Examination and standards	15-100-004-5120-066	07/01/14-06/30/15	37,464.00	0.00	0.00	0.00	37,464.00	0.00	0.00	0.00	0.00	0.00	37,464.00
Corrective speech	14-100-004-5120-066	07/01/13-06/30/14	74,314.00	0.00	0.00	0.00	67,499.00	0.00	0.00	0.00	0.00	0.00	67,499.00
Corrective speech	15-100-004-5120-066	07/01/14-06/30/15	67,499.00	0.00	0.00	0.00	79,289.00	0.00	0.00	0.00	0.00	0.00	79,289.00
				(1,265.02)	0.00	0.00	207,944.31	(207,944.31)	0.00	0.00	0.00	0.00	207,944.31
Total special revenue fund				(1,265.02)	0.00	0.00	207,944.31	(207,944.31)	0.00	0.00	0.00	0.00	207,944.31
Capital projects fund:													
SDA fund	09/07/10-06/30/13		251,879.00	(251,879.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				(251,879.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total non-financial assistance				(251,879.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total				(98,577.84)	0.00	0.00	1,672,107.37	1,657,696.90	0.00	0.00	0.00	387,472.00	1,434,116.65

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015**

NOTE 1 - GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include the activity of all federal and state award activity of the Board of Education, Woodbury Heights Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$13,541.00) for the general fund and (\$1,068.79) for the special revenue fund. See the Notes to Required Supplementary Information (Exhibit C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 1,335,210.69	\$ 1,335,210.69
Special revenue fund	124,303.89	306,875.43	431,179.32
Total awards and financial assistance	\$ 124,303.89	\$ 1,642,086.12	\$ 1,766,390.01

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015**

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 - OTHER

The amount reported as TPAF pension contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2015. TPAF social security contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 6 - MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiencies identified?

_____ yes X none reported

Noncompliance material to basic financial statements noted?

_____ yes X no

Federal Awards - No Federal Single Audit Required

Internal Control over compliance:

1) Material weakness(es) identified?

_____ yes _____ no

2) Significant deficiencies identified?

_____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?

_____ yes _____ no

Identification of major programs:

CFDA Numbers(s)

Name of Federal Program or Cluster

Dollar threshold used to distinguish between Type A and Type B programs?

Auditee qualified as low-risk auditee?

_____ yes _____ no

**WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

Section I - Summary of Auditor's Results (Concluded)

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ yes X no _____ N/A

Internal Control over major programs:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiencies identified that were not considered to be material weaknesses?

_____ yes X none reported

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?

_____ yes X no

Identification of major programs:

<u>State Grant/Project Number</u>	<u>Name of State Program</u>
<u>15-495-034-5120-078</u>	<u>Equalization aid</u>
<u>15-495-034-5120-089</u>	<u>Special education aid</u>
<u>15-495-034-5120-084</u>	<u>Security aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC readiness aid</u>
<u>15-495-034-5120-097</u>	<u>Per pupil growth aid</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

Section II - 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 for which Government Auditing Standards requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding 15-0

No Current Year Findings.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings to be reported by Section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 15-08.

Federal and State Awards

Finding 15-0

No Current Year Findings or Questioned Costs.

**WOODBURY HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
JUNE 30, 2015**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular Letter15-08.

Status of Prior Year Findings

Finding 14-0

There were no prior year audit findings.