

Comprehensive Annual Financial Report

of the

Township of Woodland School District

Chatsworth, New Jersey

For the Fiscal Year Ended June 30, 2015

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
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INTRODUCTORY SECTION

WOODLAND TOWNSHIP BOARD OF EDUCATION
Second Street and John Bowker Jr. Blvd
Chatsworth, NJ 08019

December 15, 2015

Honorable President and
Members of the Board of Education
Woodland Township School District
County of Burlington, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Woodland School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest 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 and is reported in a manner designed to present fairly the financial position and results of operations 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Revised Single Audit Act of 1996 and the U.S. office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy" for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Woodland School district is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Woodland Board of Education and its school constitute the District's reporting entity.

1. REPORTING ENTITY AND ITS SERVICES (CONT'D): The District provides a full range of educational services appropriate to grade levels PSD, K through 8. These include regular education as well as special education services, as well as out of district placements. The District completed the 2014-2015 fiscal year with an enrollment of 156 students. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2010-11	148
2011-12	155
2012-13	157
2013-14	149
2014-15	156

2. ECONOMIC CONDITION AND OUTLOOK: The overall value of Woodland Township shall remain relatively unchanged for the coming year. There are no new businesses nor is there any expansion of the business community planned. There shall be relatively few housing starts so that the valuation of Woodland Township shall remain stable.

3. MAJOR INITIATIVES: Students continued to score above the state and national average on the Standard Achievement Tests and the NJASK tests.

4. INTERNAL ACCOUNTING CONTROLS: The 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 the generally accepted accounting principle (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 (1) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, test 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 voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

5. BUDGETARY CONTROLS CONT'D): An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis; open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2015.

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


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

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

9. OTHER INFORMATION: State statutes require an annual audit by independent certified accountants or registered municipal accountant. The accounting firm of Bowman & Company LLP was selected by the Board of Education. In addition to meeting the requirement set forth in state statutes, the audit was also designed to meet the requirements of the single audit act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Woodland Township 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 financial and accounting staff.

Respectfully submitted,

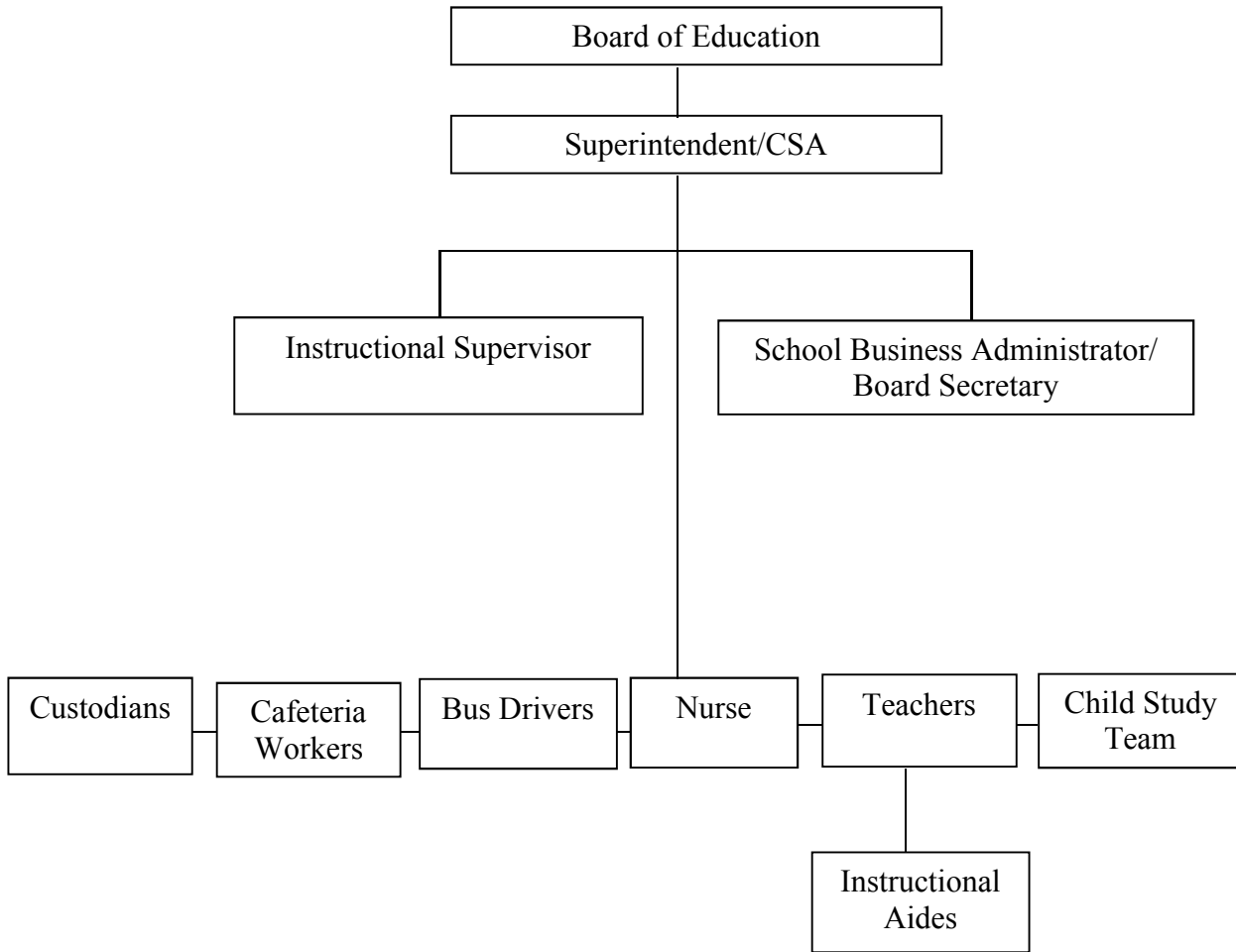


Misty Weiss
Superintendent



Maria Funches
Business Administrator/
Board Secretary

1110 ORGANIZATIONAL CHART



WOODLAND TOWNSHIP BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2015**

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Dennis Cronin, President	2015
Amy Davis, Vice President	2015
Kirk Harris	2017
Edward Vincent	2017
Coleen Jaggard	2016

OTHER OFFICIALS

Misty Weiss, Superintendent

Maria Funches, Business Administrator/Board Secretary

WOODLAND TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Leonard-O'Neill Group
Gibbsboro, New Jersey

ARCHITECT

Design Collaborative
Cape May Court House, New Jersey

AUDIT FIRM

Bowman & Company LLP
Voorhees, New Jersey

ATTORNEY

Parker Mc Cay, P.A.
Marlton, New Jersey

OFFICIAL DEPOSITORIES

TD Bank

Beneficial Bank

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Woodland Township School District
County of Burlington
Chatsworth, New Jersey 08019

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 Township of Woodland School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Woodland School District in the County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2015, the School 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 Statements No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities has been restated, as discussed in note 20 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 School District's proportionate share of the net pension liability, and schedule of School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Woodland School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements, schedules, statistical section and schedule of expenditures of federal awards 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 accompanying schedule of expenditures of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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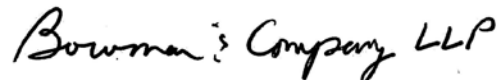
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of the Township of Woodland School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Woodland School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
December 15, 2015

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Woodland Township School District
County of Burlington
Chatsworth, New Jersey 08019

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Woodland School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 15, 2015. 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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be material weaknesses as findings nos. 2015-001 and 2015-002.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be a significant deficiency as finding nos. 2015-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Woodland School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as findings no.: 2015-001 and 2015-002.

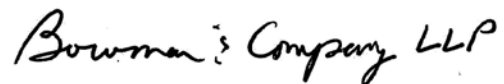
The Township of Woodland School District's Response to Findings

The Township of Woodland School District's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
December 15, 2015

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

This section of the Woodland Township Board of Education School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on 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.

FINANCIAL HIGHLIGHTS

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

- During the fiscal year ended June 30, 2015, the School District was required to implement Governmental Accounting Standard 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 thorough discussion of the implementation of GASB 68 and the effects to the financial statements.
- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$76,737.52 (net position).
- The School District's total net position increased by \$145,587.51, from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$74,388.08, an increase of \$148,544.69 in comparison with the prior year.
- The Woodland Township School District's had no outstanding debt at June 30, 2015.

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 Woodland School District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Woodland Township School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Woodland Township School District, reporting the Woodland Township School District's operation in more detail than the government-wide statements.
- The governmental funds statements tell 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 Woodland Township School 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 A-1 summarizes the major features of the Woodland Township School 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 management's discussion and analysis highlights the structure and contents of each of the statements.

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table A-1

MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the district operates similar to private businesses: Food Service Fund
Required Financial Statements	Statements of Net Position	Balance sheet	Statement of Net Position
	Statement of activities	Statement of revenue, expenditures and changes in fund balances	Statement of revenue, expenses and changes in fund 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
Type of asset/liability information	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
Type of inflow/outflow information	All revenues and expenses during 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 revenue and expenses during the year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report information about the Woodland Township School 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 government-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

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

- *Governmental activities*- Most of the School 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 School District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – focusing on the most significant or “major” funds – not the School District as a whole. Funds are accounting devices the School 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 School 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 School 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 School District's programs. Because this information does not encompass the additional long-term focus of the government-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 School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
- **Fiduciary funds** – The School District is the trustee, or fiduciary, for assets that belong to others. The School 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 School 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 government-wide financial statements because the School District cannot use these assets to finance its operations.

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

FINANCIAL ANALYSIS OF THE WOODLAND TOWNSHIP SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2015 and 2014.

TABLE 1						
NET POSITION						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 228,653	\$ 353,594	\$ (5,083)	\$ (3,348)	\$ 223,570	\$ 350,246
Capital Assets, net	1,112,413	713,560	7,432	8,655	1,119,845	722,215
Total Assets	1,341,066	1,067,154	2,350	5,307	1,343,415	1,072,461
Deferred Outflow of Resources - Related to Pensions	278,844				278,844	-
Long-term Liabilities	1,283,791	66,315			1,283,791	66,315
Other Liabilities	193,576	140,677			193,576	140,677
Total Liabilities	1,477,367	206,992	-	-	1,477,367	206,992
Deferred Inflow of Resources - Related to Pensions	68,155				68,155	-
Net Position:						
Net Investment in Capital Assets	1,112,413	713,560	7,432	8,655	1,119,846	722,215
Restricted	135,001	135,001			135,001	135,001
Unrestricted	(1,173,026)	11,601	(5,083)	(3,348)	(1,178,109)	8,253
	74,388	860,162	2,349	5,307	76,737	865,469
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68		\$ (934,319)			-	\$ (934,319)
Total Net Position	\$ 74,388	\$ (74,157)	\$ 2,349	\$ 5,307	\$ 76,737	\$ (68,850)

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

- Program revenues were \$542,060.
 - ✓ Operating Grants & Contributions--\$518,685.
 - ✓ Capital Grants and Contributions -- None.
 - ✓ Charges for Services--\$23,376.
- General revenues, donated assets and transfers amounted to \$3,028,684.
- Net Expenditures were \$2,883,097.
- Total School District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of 76,737 as of June 30, 2015.
- Revenues \$3,028,684 + Beginning assets (\$68,850) – Net expenditures \$2,883,097 = Net Position of \$76,737.

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 278,844.00		\$ 278,844.00	100.00%
Less: Net Pension Liability	(1,143,642.00)	\$ (934,319.00)	(209,323.00)	22.40%
Less: Deferred Inflows Related to Pensions	(68,155.00)		(68,155.00)	-100.00%
	<u>\$ (932,953.00)</u>	<u>\$ (934,319.00)</u>	<u>\$ 1,366.00</u>	<u>-0.15%</u>

Table 3 reflects changes in net position for fiscal years 2015 and 2014.

TABLE 3
Changes in Net Position

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program Revenues:						
Charges for Services			\$ 23,375	\$ 24,600	\$ 23,375	\$ 24,600
Operating Grants and Contributions	\$ 495,837	\$ 275,312	22,848	19,772	518,685	295,084
General Revenues:						
Property Taxes	1,645,292	1,508,340			1,645,292	1,508,340
Grants and Contributions not Restricted to Specific Programs	912,309	904,720			912,309	904,720
Other	484	1,970		15	484	1,985
Total Revenues	<u>3,053,922</u>	<u>2,690,341</u>	<u>46,223</u>	<u>44,387</u>	<u>3,100,145</u>	<u>2,734,729</u>
Expenses:						
Instruction	1,541,439	1,414,287			1,541,439	1,414,287
Support Services	1,787,835	1,341,453			1,787,835	1,341,453
Food Service			95,884	80,646	95,884	80,646
Total Expenses	<u>3,329,274</u>	<u>2,755,740</u>	<u>95,884</u>	<u>80,646</u>	<u>3,425,157</u>	<u>2,836,386</u>
Increase in Net Position before Other Items	(275,352)	(65,399)	(49,661)	(36,259)	(325,012)	(101,658)
Transfers and Donated Assets	423,896	(34,621)	46,703	34,621	470,599	-
Increase in Net Position	148,544	(100,019)	(2,957)	(1,638)	145,587	(101,658)
Beginning Net Position	(74,157)	960,182	5,307	6,945	(68,850)	967,127
Ending Net Position, Prior to Restatement	74,388	860,162	2,349	5,307	76,737	865,469
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68		(934,319)				(934,319.00)
Ending Net Position	<u>\$ 74,388</u>	<u>\$ (74,157)</u>	<u>\$ 2,349</u>	<u>\$ 5,307</u>	<u>\$ 76,737</u>	<u>\$ (68,850)</u>

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Total revenues for the School District were \$3,100,145. Government funding was the source of 46.16% of the School District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$1,645,292 provided 53.07% of revenues which was 2.1 % less than fiscal year 2014.

Other miscellaneous revenues of \$484 represent .02% of the School District revenues. The make-up of miscellaneous revenues was primarily provided from interest and miscellaneous refunds.

The School District's expenses for government activities are predominantly related to instruction and support services. Instruction totaled \$1,541,439 (46.3%) of total expenditures. Student support services including tuition, transportation and administration, totaled \$1,787,835 (53.7%) of total expenditures.

Revenue for governmental activities exceeded total expenditures and transfers, increasing net position \$148,544 from the restated beginning balance as of July 1, 2014.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Woodland Township School 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 School District completed the year, its governmental funds reported a combined fund balance of \$105,641. At June 30, 2014 the fund balance was \$230,200.

All governmental funds had total revenues of \$2,832,599 and total expenditures of \$2,910,456.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the School District in providing educational services to students from Kindergarten through Grade 8 including pupil transportation activities and capital outlay projects.

One of the primary sources of funding for the School District is received from local property taxes and accounted for 60.07% of total revenues. State aid accounted for 39.91% of total revenues.

Total General Fund revenue increased by \$147,608, or 5.7%, from the previous year.

Total General Fund expenditures increased \$214,203, or 8.23% from the previous year.

The Woodland Township School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the budgets and provide tax relief were \$135,000 for the 2014-15 school year and \$135,000 for the 2015-16 school year.

FOOD SERVICE FUND

The Food Service Fund had net position of \$2,349 as of June 30, 2015. This reflects a decrease of \$2,957 from June 30, 2014.

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000, 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 School District had capital assets with a book value of \$1,119,845. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment. Total depreciation expense for the year was \$72,968.

Table 4 reflects the capital assets.

TABLE 4							
Capital Asset (Net of Accumulated Depreciation)							
	Governmental		Business-Type		Total		
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Land	\$ 13,820	\$ 13,820			\$ 13,820	\$ 13,820	
Construction in Progress	216,990				216,990		
Land Improvements	276,904	26,059			276,904	26,059	
Building and Improvements	562,864	617,881			562,864	617,881	
Furniture, Fixtures and Equipment	41,835	55,800	\$ 7,432	\$ 8,654	49,267	64,454	
Total	\$1,112,413	\$713,560	\$ 7,432	\$ 8,654	\$1,119,845	\$722,214	

Long-term Obligations

At year-end, the School District had no general obligation bonds authorized or outstanding.

The District had a net pension liability of \$1,143,642, an increase of \$209,323 from the previous year's liability as a result of implementing GASBS No. 68.

The School District had a \$156,746 liability for compensated absences. This liability represents the School District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. In addition, the School District deferred its 2012 PERS pension liability, which is currently an estimated \$7,989 to be repaid over a fifteen year period that commenced in 2012.

THE FUTURE OUTLOOK

The Woodland Township area is not experiencing much growth or expansion due to the building restrictions. The general area surrounding the School District provides the most opportunities for employment for our residents.

The School District's 2015-16 Budget was approved by the Burlington County Superintendent. Any reduction of state aid and/or an increase in expenditures will put an additional burden on the taxpayers of this School District. The School District anticipates that it will adequately satisfy all of the 2015-16 financial needs, barring any significant unexpected situation or condition.

Woodland Township Board of Education School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at:

Woodland Township Board of Education, 2 Giles Avenue, Chatsworth, NJ 08019.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 129,688.09	\$ 2,179.99	\$ 131,868.08
Internal Balances	10,247.56	(10,247.56)	
Receivables, net	88,717.00	1,477.49	90,194.49
Inventory		1,507.11	1,507.11
Capital Assets, net (Note 6)	<u>1,112,413.47</u>	<u>7,432.41</u>	<u>1,119,845.88</u>
Total Assets	<u>1,341,066.12</u>	<u>2,349.44</u>	<u>1,343,415.56</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>278,844.00</u>		<u>278,844.00</u>
LIABILITIES:			
Accounts Payable	168,990.10		168,990.10
Noncurrent Liabilities (Note 7):			
Due within One Year	24,586.33		24,586.33
Due beyond One Year	<u>1,283,790.61</u>		<u>1,283,790.61</u>
Total Liabilities	<u>1,477,367.04</u>	<u>-</u>	<u>1,477,367.04</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>68,155.00</u>		<u>68,155.00</u>
NET POSITION:			
Net Investment in Capital Assets	1,112,413.47	7,432.41	1,119,845.88
Restricted for:			
Other Purposes	135,001.00		135,001.00
Unrestricted (Deficit)	<u>(1,173,026.39)</u>	<u>(5,082.97)</u>	<u>(1,178,109.36)</u>
Total Net Position	<u>\$ 74,388.08</u>	<u>\$ 2,349.44</u>	<u>\$ 76,737.52</u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,184,556.01		\$ 10,494.00		\$ (1,174,062.01)		\$ (1,174,062.01)
Special Education	309,598.69				(309,598.69)		(309,598.69)
Other Special Instruction	47,284.35				(47,284.35)		(47,284.35)
Support Services:							
Tuition	107,067.91				(107,067.91)		(107,067.91)
Student and Instruction Related Services	292,788.78		83,171.00		(209,617.78)		(209,617.78)
School Administrative Services	22,322.01				(22,322.01)		(22,322.01)
General and Business Administrative Services	259,440.16				(259,440.16)		(259,440.16)
Plant Operations and Maintenance	315,951.30				(315,951.30)		(315,951.30)
Pupil Transportation	185,621.93				(185,621.93)		(185,621.93)
Unallocated Benefits	157,858.63				(157,858.63)		(157,858.63)
Reimbursed TPAF and Social Security	446,783.63		402,171.63		(44,612.00)		(44,612.00)
Total Governmental Activities	3,329,273.40	-	495,836.63	-	(2,833,436.77)	-	(2,833,436.77)
Business-Type Activities:							
Food Service	95,883.68	\$ 23,374.70	22,848.41			\$ (49,660.57)	(49,660.57)
Total Business-Type Activities	95,883.68	23,374.70	22,848.41	-	-	(49,660.57)	(49,660.57)
Total Primary Government	\$ 3,425,157.08	\$ 23,374.70	\$ 518,685.04	-	(2,833,436.77)	(49,660.57)	(2,883,097.34)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					1,645,292.00		1,645,292.00
Federal and State Aid not Restricted					912,309.00		912,309.00
Miscellaneous Income					484.39		484.39
Capital Contributions (Donated Assets)					470,599.46		470,599.46
Operating Transfers					(46,703.39)	46,703.39	
Total General Revenues, Other Items and Transfers					2,981,981.46	46,703.39	3,028,684.85
Change in Net Position					148,544.69	(2,957.18)	145,587.51
Net Position -- July 1 (Restated)					(74,156.61)	5,306.62	(68,849.99)
Net Position -- June 30					\$ 74,388.08	\$ 2,349.44	\$ 76,737.52

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 129,688.09				\$ 129,688.09
Receivables, net:					
Interfunds Receivable:					
Special Revenue Fund	73,017.00				73,017.00
Student Activity Fund	101.00				101.00
Food Service Fund	10,247.56				10,247.56
Receivables from Other Governments:					
Federal	2,414.94	\$ 73,017.00			75,431.94
State	13,184.06				13,184.06
Total Assets	<u>\$ 228,652.65</u>	<u>\$ 73,017.00</u>	<u>-</u>	<u>-</u>	<u>\$ 301,669.65</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfunds Payable:					
General Fund		\$ 73,017.00			\$ 73,017.00
Payroll Fund	\$ 5,486.37				5,486.37
Accounts Payable	117,525.73				117,525.73
Total Liabilities	<u>123,012.10</u>	<u>73,017.00</u>	<u>-</u>	<u>-</u>	<u>196,029.10</u>
Fund Balances:					
Restricted:					
Capital Reserve	1.00				1.00
Assigned:					
Subsequent Year's Expenditures	135,000.00				135,000.00
Unassigned	(29,360.45)				(29,360.45)
Total Fund Balances	<u>105,640.55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,640.55</u>
Total Liabilities and Fund Balances	<u>\$ 228,652.65</u>	<u>\$ 73,017.00</u>	<u>-</u>	<u>-</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,369,968.93, and the accumulated depreciation is \$2,257,555.46.

1,112,413.47

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.

(164,734.94)

Net Pension Liability

(1,143,642.00)

Accounts Payable related to the April 1, 2016 Required PERS pension contribution that is not to be liquidated with current financial resources.

(45,978.00)

Deferred Outflows of Resources - Related to Pensions

278,844.00

Deferred Inflows of Resources - Related to Pensions

(68,155.00)

Net position of governmental activities

\$ 74,388.08

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 1,645,292.00				\$ 1,645,292.00
Miscellaneous	484.39				484.39
State Sources	1,093,157.63				1,093,157.63
Federal Sources		\$ 93,665.00			93,665.00
Total Revenues	<u>2,738,934.02</u>	<u>93,665.00</u>	<u>-</u>	<u>-</u>	<u>2,832,599.02</u>
EXPENDITURES:					
Regular Instruction	1,096,734.21				1,096,734.21
Special Education Instruction	289,938.59	10,494.00			300,432.59
Other Instruction	47,284.35				47,284.35
Support Services and Undistributed Costs:					
Tuition	107,067.91				107,067.91
Student and Instruction Related Services	203,877.47				203,877.47
School Administrative Services	14,482.16				14,482.16
General Administrative Services	242,141.41				242,141.41
Plant Operations and Maintenance	306,736.70				306,736.70
Pupil Transportation	180,233.26				180,233.26
Unallocated Benefits	147,445.89				147,445.89
Reimbursed TPAF Pension and Social Security	180,848.63				180,848.63
Total Expenditures	<u>2,816,790.58</u>	<u>93,665.00</u>	<u>-</u>	<u>-</u>	<u>2,910,455.58</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(77,856.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,856.56)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out	(46,703.39)				(46,703.39)
Total Other Financing Sources and Uses	<u>(46,703.39)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,703.39)</u>
Net Change in Fund Balances	<u>(124,559.95)</u>				<u>(124,559.95)</u>
Fund Balance -- July 1	230,200.50				230,200.50
Fund Balance -- June 30	<u>\$ 105,640.55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 105,640.55</u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2015

Total Net Change in Fund Balances - Governmental Funds	\$	(124,559.95)
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	\$	(71,746.18)
Donated Assets		<u>470,599.46</u>
		398,853.28
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 (+).		
		(81,136.64)
Governmental funds report School 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 exceed the School District's pension contributions in the current period.		
		<u>(44,612.00)</u>
Change in Net Position of Governmental Activities	\$	<u><u>148,544.69</u></u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2015

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 2,179.99
Accounts Receivable:	
State	48.89
Federal	1,428.60
Inventories	<u>1,507.11</u>
Total Current Assets	<u>5,164.59</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	39,995.36
Less Accumulated Depreciation	<u>(32,562.95)</u>
Total Noncurrent Assets	<u>7,432.41</u>
Total Assets	<u>12,597.00</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	<u>10,247.56</u>
Total Liabilities	<u>10,247.56</u>
NET POSITION:	
Net Investment in Capital Assets	7,432.41
Unrestricted (Deficit)	<u>(5,082.97)</u>
Total Net Position	<u>\$ 2,349.44</u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 19,858.65
School Breakfast Program	14.90
Daily Sales - Non-Reimbursable Programs:	<u>3,501.15</u>
Total Operating Revenues	<u>23,374.70</u>
OPERATING EXPENSES:	
Salaries	35,246.66
Health Benefits	29,948.87
General Supplies	1,255.52
Repairs	428.79
Depreciation	1,221.91
Cost of Sales	<u>27,781.93</u>
Total Operating Expenses	<u>95,883.68</u>
Operating Income / (Loss)	<u>(72,508.98)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	652.28
Federal Sources:	
National School Lunch Program	17,826.14
National School Breakfast Program	49.72
Food Distribution Program	4,320.27
Board Contribution	<u>46,703.39</u>
Total Nonoperating Revenues (Expenses)	<u>69,551.80</u>
Change in Net Position	(2,957.18)
Net Position -- July 1	<u>5,306.62</u>
Net Position -- June 30	<u><u>\$ 2,349.44</u></u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 23,374.70
Payments to Employees	(35,246.66)
Payments for Health Benefits	(29,948.87)
Payments for Supplies and Services	<u>(30,379.26)</u>
Net Cash Provided by (used for) Operating Activities	<u>(72,200.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	645.46
Federal Sources	21,819.85
Operating Subsidies and Transfers to Other Funds	<u>47,050.49</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>69,515.80</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,684.29)
Cash and Cash Equivalents -- July 1	<u>4,864.28</u>
Cash and Equivalents -- June 30	<u><u>\$ 2,179.99</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (72,508.98)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	1,221.91
(Increase) Decrease in Inventories	<u>(913.02)</u>
Total Adjustments	<u>308.89</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (72,200.09)</u></u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2015

	Agency Funds	
	Student Activity	Payroll
ASSETS:		
Cash and Cash Equivalents	\$ 1,070.61	\$ 58,417.05
Accounts Receivable:		
Interfund Accounts Receivable:		
Due General Fund		5,486.37
Total Assets	\$ 1,070.61	\$ 63,903.42
LIABILITIES:		
Interfund Accounts Payable:		
Due General Fund	\$ 101.00	
Payable to Student Groups	969.61	
Summer Pay Payable		\$ 57,925.40
Payroll Deductions and Withholdings		5,978.02
Total Liabilities	\$ 1,070.61	\$ 63,903.42

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Woodland School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of five members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its one school. The School District has an approximate enrollment at June 30, 2015 of 156.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School 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 School 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 School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. 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. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School 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 non-instructional equipment classified in the capital outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account. . The School District does not maintain a capital projects fund.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The School District does not maintain a debt service fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District does not maintain a permanent fund.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary fund:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary fund:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains a student activity fund and payroll fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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 and exhibit C-2 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 School 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 aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. 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, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

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.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses (Cont'd)**

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures 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.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 20 Years
Buildings and Improvements	25 - 50 Years
Furniture, Fixtures and Equipment	5 - 20 Years

The School District does not possess any infrastructure assets.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

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 School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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.

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 Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and 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.

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 improvement 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 School District or through external restrictions imposed by creditors, grantors or laws 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 School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School 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.

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 School District's highest level of decision-making authority, which, for the School 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 School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either 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 and standard operating procedures, 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 expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the fiscal year ended June 30, 2015, the School District adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 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 School District was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$934,319.00, and was recognized as a restatement of the School District's June 30, 2014 net position on the statement of activities (see note 20).

Recently Issued Accounting Pronouncements

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

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 School District in fiscal year 2016. Management has not yet determined the impact of this Statement on the financial statements.

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

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment 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 School District in fiscal year 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements (Cont'd)**

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 School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School 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 School District's deposits might not be recovered. Although the School 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 School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2015, the School District's bank balances of \$385,651.66 were insured by FDIC or GUDPA.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 in September 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special 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.

There was no activity in the capital reserve account for the July 1, 2014 to June 30, 2015 fiscal year.

The LRFP balance of local support costs of uncompleted projects at June 30, 2015 is \$3,968,000.00.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consisted of accounts (fees), intergovernmental grants and interfunds. 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 School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Sources	\$ 2,414.94	\$ 73,017.00	\$ 75,431.94	\$ 1,428.60	\$ 1,428.60	\$ 76,860.54
State Sources	13,184.06		13,184.06	48.89	48.89	13,232.95
Fiduciary Fund	101.00		101.00		-	101.00
	<u>\$ 15,700.00</u>	<u>\$ 73,017.00</u>	<u>\$ 88,717.00</u>	<u>\$ 1,477.49</u>	<u>\$ 1,477.49</u>	<u>\$ 90,194.49</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 676.87
Commodities	<u>830.24</u>
	<u>\$ 1,507.11</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 13,820.00			\$ 13,820.00
Construction in Progress		\$ 216,989.70		216,989.70
Total Capital Assets, not being Depreciated	13,820.00	216,989.70	-	230,809.70
Capital Assets, being Depreciated:				
Land Improvements	91,779.35	253,609.76		345,389.11
Buildings and Improvements	2,401,138.00			2,401,138.00
Furniture, Fixtures and Equipment	392,632.12			392,632.12
Total Capital Assets, being Depreciated	2,885,549.47	253,609.76	-	3,139,159.23
Total Capital Assets, Cost	2,899,369.47	470,599.46	-	3,369,968.93
Less Accumulated Depreciation for:				
Land Improvements	(65,720.20)	(2,765.23)		(68,485.43)
Buildings and Improvements	(1,783,256.56)	(55,016.98)		(1,838,273.54)
Furniture, Fixtures and Equipment	(336,832.52)	(13,963.97)		(350,796.49)
Total Accumulated Depreciation	(2,185,809.28)	(71,746.18)	-	(2,257,555.46)
Total Capital Assets, being Depreciated, Net	699,740.19	181,863.58	-	881,603.77
Governmental Activities Capital Assets, Net	<u>\$ 713,560.19</u>	<u>\$ 398,853.28</u>	<u>-</u>	<u>\$ 1,112,413.47</u>
	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2015</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 39,995.36			\$ 39,995.36
Less Accumulated Depreciation for:	(31,341.04)	\$ (1,221.91)		(32,562.95)
Business-Type Activities Capital Assets, Net	<u>\$ 8,654.32</u>	<u>\$ (1,221.91)</u>	<u>\$ -</u>	<u>\$ 7,432.41</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:	
Regular Instruction	\$ 59,547.78
Other Administrative Services	9,063.76
Plant Operations and Maintenance	<u>3,134.64</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 71,746.18</u>
 Business-Type Activities:	
Food Service	<u>\$ 1,221.91</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance <u>July 1, 2014</u>	Adjustments/ <u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2015</u>	Due within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences	\$ 74,883.50	\$ 81,862.87		\$ 156,746.37	\$ 23,860.10
Net Pension Liability	934,319.00	209,323.00		1,143,642.00	
PERS Payment Deferral	<u>8,714.80</u>		\$ (726.23)	<u>7,988.57</u>	<u>726.23</u>
Governmental Activity Long-Term Liabilities	<u>\$ 1,017,917.30</u>	<u>\$ 291,185.87</u>	<u>\$ (726.23)</u>	<u>\$ 1,308,376.94</u>	<u>\$ 24,586.33</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for 2008-09 fiscal year. Commencing in fiscal year June 30, 2010, and beyond, the full annual PERS pension liability is required to be budgeted and paid.

The School District elected to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$10,893.50. The following is an estimated schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Public Employees' Retirement System (PERS) Payment Deferral (Cont'd) - Principal and interest due on the outstanding pension deferral is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Interest</u>	<u>Total Projected Payment</u>
2016	\$ 726.23	\$ 659.06	\$ 1,385.29
2017	726.23	599.14	1,325.37
2018	726.23	539.23	1,265.46
2019	726.23	479.31	1,205.54
2020	726.23	419.40	1,145.63
2021-2025	3,631.19	1,198.29	4,829.48
2026-2027	726.23	59.91	786.14
Total	<u>\$ 7,988.57</u>	<u>\$ 3,954.34</u>	<u>\$ 11,942.91</u>

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copy machines, lap top and desk top computers. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 17,367.71
2017	8,313.07
2018	4,328.88
2019	1,082.22
	<u>\$ 31,091.88</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$14,357.55

Note 9: PENSION PLANS

A substantial number of the School 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 School 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 financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
 Division of Pensions and Benefits
 P.O. Box 295
 Trenton, New Jersey 08625-0295
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for 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. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. 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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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 ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment 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, 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.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted 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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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 year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School 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 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.25% of the School District's covered-employee payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School 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 School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2015 was 12.63% of the School 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 School District were \$45,978.00 for the fiscal year ended June 30, 2015. Employee contributions were \$26,196.08 for the fiscal year ended June 30, 2015.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period, 3% of the employees' base salary, are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. There were no employees enrolled in DCRP as of June 30, 2015.

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 School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District. The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>4,891,615.00</u>
	<u><u>\$ 4,891,615.00</u></u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - 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 School District's proportion of the net pension liability was based on a projection of the School 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 School District proportion was 0.00% due to the 100% special funding situation of the State of New Jersey. For the fiscal year ended June 30, 2015, the School District recognized \$263,215.00 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 School District reported a liability of \$1,143,642.00 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 School District's proportion of the net pension liability was based on a projection of the School 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 School District's proportion was .0061083068%, which was an increase of .001219654% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized \$94,994.00, in the government-wide financial statements, for pension expense for PERS.

At June 30, 2015, the School 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	35,962.00	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	68,155.00
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contributions	196,904.00	-
School District Contributions Subsequent to the Measurement Date	45,978.00	-
	<u>\$ 278,844.00</u>	<u>\$ 68,155.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - \$45,978.00 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:

Fiscal Year	<u>Ending June 30,</u>	<u>PERS</u>
2015		\$ 53,354.22
2016		53,354.22
2017		53,354.22
2018		53,354.22
2019		(33,823.25)
Thereafter		<u>(14,882.23)</u>
		<u>\$ 164,711.39</u>

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 were 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.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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.

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:

<u>Asset Class</u>	<u>TPAF</u>		<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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>	

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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 7.9%, 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 five 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 School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the School District is \$0 and the State's net pension liability attributable to the School District using a discount rate of 4.68%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>5,883,327.91</u>	<u>4,891,615.00</u>	<u>4,066,769.29</u>
	<u>\$ 5,883,327.91</u>	<u>\$ 4,891,615.00</u>	<u>\$ 4,066,769.29</u>

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - The following presents the School 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 School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<u>PERS</u>		
	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 1,438,740.70</u>	<u>\$ 1,143,642.10</u>	<u>\$ 895,834.37</u>

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 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving postemployment 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 free health benefits to members of PERS and the Alternate Benefit Program who retire 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 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$41,892.00 and \$66,503.00, respectively.

Note 12: RISK MANAGEMENT

The School 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 School District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of three deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit 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:

AXA Equitable
Lincoln Investment Planning
Great American Plan Administrators

Note 14: COMPENSATED ABSENCES

The School 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which, if unused, may be converted to sick days and carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreement with the Education Association and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, the liability for compensated absences in the governmental activities fund was \$156,746.37 and there was no liability in the proprietary fund.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 83,365.56	\$ 5,486.37
Special Revenue		73,017.00
Food Service		10,247.56
Fiduciary	5,486.37	101.00
	<u>\$ 88,851.93</u>	<u>\$ 88,851.93</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2016, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>
	<u>Food Service Fund</u>
General Fund	<u>\$ 46,703.39</u>

The interfund transfer from General Fund to Food Service Proprietary Fund was for the portion of salaries paid by the General Fund and for the reduction of the Food Service Proprietary Fund deficit in operations for the fiscal year ending June 30, 2015.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: DEFICIT FUND BALANCES

The food service enterprise fund had a deficit in unrestricted net position of \$5,082.97 as of June 30, 2015. This deficit will be addressed either through the 2015-2016 general fund budget or through efficiencies in the food service program itself.

The School District has a deficit fund balance of (\$29,360.45) in the general fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of (\$29,360.45) is less than the June state aid payments.

Note 19: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (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. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2015, the balance in the capital reserve account is \$1.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016 \$135,000.00 of general fund balance at June 30, 2015.

Note 19: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2015, there was a deficit unassigned fund balance of (\$29,360.45). The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements is less than the last state aid payment.

Note 20: RESTATEMENT OF PRIOR PERIOD NET POSITION

As indicated in note 1 to the financial statements, the School District adopted GASB Statement 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 two Statements, a restatement of unrestricted net position on the government-wide statement of activities was required to record the School 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:

	Net Position As Previously Reported <u>June 30, 2014</u>	GASB 68 Implementation			Net Position As Restated <u>June 30, 2014</u>
		Net Pension Liability (1)	Deferred Outflows (2)	Accounts Payable (3)	
Governmental Activities:					
Net Investment in Capital Assets	\$ 713,560.19				\$ 713,560.19
Restricted for:					
Other Purposes	135,001.00				135,001.00
Unrestricted (Deficit)	11,601.20	(934,319.00)	50,356.00	(50,356.00)	(922,717.80)
Total Net Position	<u>\$ 860,162.39</u>	<u>\$ (934,319.00)</u>	<u>\$ 50,356.00</u>	<u>\$ (50,356.00)</u>	<u>\$ (74,156.61)</u>

- (1) Represents the School District's proportionate share of the Public Employees' Retirement System June 30, 2013 Net Pension Liability.
- (2) Represents the School District's beginning deferred outflow of resources for contributions subsequent to the measurement date, fiscal year 2013-2014 pension contribution paid.
- (3) Represents the School 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.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
General Fund:					
Local Sources:					
Local Tax Levy	\$ 1,645,292.00		\$ 1,645,292.00	1,645,292.00	
Unrestricted Miscellaneous Revenues	5,038.00		5,038.00	484.39	\$ (4,553.61)
Total - Local Sources	1,650,330.00	-	1,650,330.00	1,645,776.39	(4,553.61)
State Sources:					
Transportation Aid	57,862.00		57,862.00	57,862.00	
Special Education Aid	86,673.00		86,673.00	86,673.00	
Equalization Aid	703,702.00		703,702.00	703,702.00	
Security Aid	14,739.00		14,739.00	14,739.00	
Adjustment Aid	41,487.00		41,487.00	41,487.00	
PARCC Readiness Aid	1,430.00		1,430.00	1,430.00	
Per Pupil Growth Aid	1,430.00		1,430.00	1,430.00	
Extraordinary Aid				5,687.00	5,687.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				72,453.63	72,453.63
On-behalf TPAF Pension Contributions (non-budgeted)				41,892.00	41,892.00
On-behalf TPAF Medical Contributions (non-budgeted)				66,503.00	66,503.00
Total - State Sources	907,323.00	-	907,323.00	1,093,858.63	186,535.63
Total Revenues	2,557,653.00	-	2,557,653.00	2,739,635.02	181,982.02

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 79,207.00	\$ 14,433.15	\$ 93,640.15	\$ 93,640.15	
Preschool/Kindergarten	351,645.00	(9,975.72)	341,669.28	341,669.28	
Grades 1 - 5	248,707.00	15,641.54	264,348.54	264,348.54	
Grades 6 - 8					
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	31,065.00	(9,413.55)	21,641.45	21,641.45	
Purchased Professional and Educational Services	20,000.00	(8,880.86)	11,119.14	11,119.14	
Purchased Technical Services	10,000.00	2,716.73	12,716.73	12,716.73	
Other Purchased Services	18,000.00	(6,032.60)	11,967.40	11,967.40	
General Supplies	25,000.00	9,284.04	34,284.04	34,284.04	
Textbooks	29,145.00	8,785.07	37,930.07	37,930.07	
Other Objects	10,000.00	4,715.45	14,715.45	14,715.45	
Total Regular Programs	822,759.00	21,273.25	844,032.25	844,032.25	-
Special Education:					
Resource Room/Center:					
Salaries of Teachers	81,628.00	56,273.25	137,901.25	137,901.25	
Other Salaries for Instruction	57,320.00	26,837.59	84,157.59	84,157.59	
Total - Resource Room/Center	138,948.00	83,110.84	222,058.84	222,058.84	-
Preschool Disabilities - Part-Time:					
Salaries of Teachers	36,823.00	(5,373.00)	31,450.00	31,450.00	
Other Salaries for Instruction	10,815.00	(3,785.25)	7,029.75	7,029.75	
Total - Preschool Disabilities - Part-Time	47,638.00	(9,158.25)	38,479.75	38,479.75	-
Total - Special Education	186,586.00	73,952.59	260,538.59	260,538.59	-
Basic Skills/Remedial:					
Salaries of Teachers	44,805.00	(20,694.00)	24,111.00	24,111.00	
Total - Basic Skills/Remedial	44,805.00	(20,694.00)	24,111.00	24,111.00	-
School Sponsored Cocurricular Athletics - Instruction:					
Salaries	4,000.00	2,600.00	6,600.00	6,600.00	
Supplies and Materials	2,000.00	2,813.35	4,813.35	4,813.35	
Total - School Sponsored Cocurricular Athletics - Instruction	6,000.00	5,413.35	11,413.35	11,413.35	-

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Other Instructional Programs - Instruction:					
Salaries	\$ 13,442.00	\$ (1,682.00)	\$ 11,760.00	\$ 11,760.00	-
Total - School Sponsored Cocurricular Athletics - Instruction	13,442.00	(1,682.00)	11,760.00	11,760.00	-
Total - Instruction	1,073,592.00	78,263.19	1,151,855.19	1,151,855.19	-
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within State-Special	50,274.00		50,274.00	40,690.40	\$ 9,583.60
Tuition to CSSD & Reg. Day Schools	35,543.00	(35,543.00)			
Tuition to Private School for the Disabled	67,459.00		67,459.00	66,377.51	1,081.49
Tuition - Other	10,000.00	(3,500.89)	6,499.11		6,499.11
Total Undistributed Expenditures - Instruction	163,276.00	(39,043.89)	124,232.11	107,067.91	17,164.20
Undistributed Expenditures - Attendance and Social Work:					
Salaries	14,129.00	(4,525.28)	9,603.72	9,603.72	
Total Undistributed Expenditures - Attendance and Social Work	14,129.00	(4,525.28)	9,603.72	9,603.72	-
Undistributed Expenditures:					
Health Services					
Salaries	81,885.00	(165.14)	81,719.86	80,925.00	794.86
Purchased Professional and Technical Services	3,500.00		3,500.00	2,885.00	615.00
Supplies and Materials	1,000.00		1,000.00	855.33	144.67
Total Health Services	86,385.00	(165.14)	86,219.86	84,665.33	1,554.53
Other Support Services - Students - Related Services:					
Purchased Professional and Educational Services	27,500.00	(15,611.65)	11,888.35	11,888.35	
Total - Other Support Services - Students - Related Services	27,500.00	(15,611.65)	11,888.35	11,888.35	-
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	37,556.00	21,887.00	59,443.00	59,443.00	
Salaries of Secretarial and Clerical Assistants	9,493.00	(0.03)	9,492.97	9,492.97	
Total Other Support Services - Students - Special Services	47,049.00	21,886.97	68,935.97	68,935.97	-

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries	\$ 12,669.00	\$ 581.00	\$ 13,250.00	\$ 13,250.00	
Purchased Professional and Technical Services	500.00	(105.00)	395.00	395.00	
Supplies and Materials	2,500.00	(2,060.90)	439.10	439.10	
Total Educational Media Services/School Library	15,669.00	(1,584.90)	14,084.10	14,084.10	-
Support Services General Administration:					
Salaries	93,177.00	(24,382.00)	68,795.00	68,735.00	\$ 60.00
Legal Services	5,000.00	9,180.05	14,180.05	14,180.05	
Audit Fees	20,000.00	2,750.00	22,750.00	22,750.00	
Other Purchased Professional Services	5,000.00	4,903.46	9,903.46	9,903.46	
Communications/Telephone	9,000.00	(208.30)	8,791.70	8,791.70	
BOE Other Purchase Services		245.52	245.52	245.52	
Miscellaneous Expenditures	1,500.00	3,622.41	5,122.41	376.23	4,746.18
Total Support Services General Administration	133,677.00	(3,888.86)	129,788.14	124,981.96	4,806.18
Support Services School Administration:					
Salaries of Secretarial and Clerical Assistants	9,493.00		9,493.00	9,492.97	0.03
Other Purchased Services	4,000.00	989.19	4,989.19	4,989.19	
Total Support Services School Administration	13,493.00	989.19	14,482.19	14,482.16	0.03
Central Services:					
Salaries	89,073.00	(1,120.83)	87,952.17	87,952.17	
Miscellaneous Purchased Services	10,000.00	3,735.75	13,735.75	13,722.53	13.22
Supplies and Materials	500.00	284.75	784.75	784.75	
Total Central Services	99,573.00	2,899.67	102,472.67	102,459.45	13.22
Allowable Maintenance for School Facilities:					
Salaries	56,977.00	10,248.28	67,225.28	67,225.28	
Cleaning, Repair & Maintenance Services	30,000.00	6,785.14	36,785.14	36,785.14	
General Supplies	7,500.00	(260.15)	7,239.85	7,239.85	
Total - Allowable Maintenance for School Facilities	94,477.00	16,773.27	111,250.27	111,250.27	-

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 89,781.00	\$ 5,967.04	\$ 95,748.04	\$ 95,748.04	
Salering, Repair & Maintenance Services	13,000.00	(5,512.27)	7,487.73	7,487.73	
Insurance	16,000.00		16,000.00	16,000.00	
Supplies	7,500.00	(1,162.20)	6,337.80	6,337.80	
Energy (Heat & Electricity)	21,000.00	(2,748.77)	18,251.23	17,515.92	\$ 735.31
Energy (Oil)	21,000.00	1,996.94	22,996.94	22,996.94	
Other Objects	2,000.00	(2,000.00)			
Total - Other Operation and Maintenance of Plant Services	170,281.00	(3,459.26)	166,821.74	166,086.43	735.31
Total - Operation and Maintenance of Plant Services	264,758.00	13,314.01	278,072.01	277,336.70	735.31
Student Transportation Services:					
Salaries of Non-Instructional Aides	3,077.00	(3,077.00)			
Salaries for Pupil Transportation (Bet Home & School) - Regular	68,367.00	(28,830.51)	39,536.49	39,536.49	
Salaries for Pupil Transportation (Bet Home & School) - Special Education	12,088.00	37,452.65	49,540.65	49,540.65	
Salaries for Pupil Transportation (Other than between Home & School)	9,493.00	187.16	9,680.16	9,680.16	
Other Purchased Services	25,000.00	(22,745.46)	2,254.54	2,254.54	
Cleaning, Repair & Maintenance Services	20,000.00	(2,512.29)	17,487.71	17,487.71	
Supplies and Materials	21,000.00	11,333.71	32,333.71	32,333.71	
Total Student Transportation Services	159,025.00	(8,191.74)	150,833.26	150,833.26	-
Regular Programs - Instruction - Employee Benefits:					
Health Benefits	317,545.00	(57,101.83)	260,443.17	252,701.96	7,741.21
Total Regular Programs - Instruction - Employee Benefits	317,545.00	(57,101.83)	260,443.17	252,701.96	7,741.21
Special Programs - Instruction - Employee Benefits:					
Health Benefits	29,400.00		29,400.00	29,400.00	
Total Special Programs - Instruction - Employee Benefits	29,400.00	-	29,400.00	29,400.00	-
Health Services - Employee Benefits:					
Health Benefits	14,700.00		14,700.00	14,700.00	
Total Health Services - Employee Benefits	14,700.00	-	14,700.00	14,700.00	-
Central Services - Employee Benefits:					
Health Benefits	14,700.00		14,700.00	14,700.00	
Total Central Services - Employee Benefits	14,700.00	-	14,700.00	14,700.00	-

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Operation and Maintenance of Plant Services - Employee Benefits:					
Health Benefits	\$ 29,400.00		\$ 29,400.00	\$ 29,400.00	
Total Operation and Maintenance of Plant Services - Employee Benefits	29,400.00	-	29,400.00	29,400.00	-
Student Transportation Services - Employee Benefits:					
Health Benefits	29,400.00		29,400.00	29,400.00	
Total Student Transportation Services - Employee Benefits	29,400.00	-	29,400.00	29,400.00	-
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	35,000.00	\$ 18,035.44	53,035.44	50,339.07	\$ 2,696.37
Other Retirement Contributions - Regular	45,000.00	7,017.60	52,017.60	52,017.60	
Other Retirement Contributions - Deferred PERS Pymt	1,662.00	(1,662.00)			
Unemployment Contribution	5,538.00	2,336.59	7,874.59	7,874.59	
Workers Compensation	26,000.00	6,146.63	32,146.63	32,146.63	
Tuition Reimbursements	10,000.00	(4,932.00)	5,068.00	5,068.00	
Other Employee Benefits	14,182.00	(14,182.00)			
Total Unallocated Benefits - Employee Benefits	137,382.00	12,760.26	150,142.26	147,445.89	2,696.37
On-behalf TPAF Pension Contributions				41,892.00	(41,892.00)
On-behalf TPAF Medical Contributions				66,503.00	(66,503.00)
Reimbursed TPAF Social Security Contributions				72,453.63	(72,453.63)
Total TPAF Contributions				180,848.63	(180,848.63)
Total Undistributed Expenses	1,597,061.00	(78,263.19)	1,518,797.81	1,664,935.39	(146,137.58)
Total Expenditures - Current Expense	2,670,653.00	-	2,670,653.00	2,816,790.58	(146,137.58)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Security	5,000.00		5,000.00		5,000.00
Total Capital Outlay	5,000.00	-	5,000.00	-	5,000.00
Total Expenditures	2,675,653.00	-	2,675,653.00	2,816,790.58	(141,137.58)

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Calculation of Deficiency of Revenues Under Expenditures: Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (118,000.00)	\$ -	\$ (118,000.00)	\$ (77,155.56)	\$ 40,844.44
Other Financing Sources (Uses):	(17,000.00)		(17,000.00)	(46,703.39)	(29,703.39)
Transfer to Enterprise Fund - Board Contribution					
Total - Other Financing Sources (Uses)	(17,000.00)	-	(17,000.00)	(46,703.39)	(29,703.39)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(135,000.00)		(135,000.00)	(123,858.95)	11,141.05
Fund Balances, July 1	320,234.50		320,234.50	320,234.50	
Fund Balances, June 30	185,234.50	-	185,234.50	196,375.55	11,141.05
Recapitulation:					
Restricted Fund Balance:				\$	
Capital Reserve				1.00	
Assigned Fund Balance:				135,000.00	
Designated for Subsequent Year's Expenditures				61,374.55	
Unassigned Fund Balance				196,375.55	
Reconciliation to Governmental Funds Statements (GAAP):				(90,735.00)	
Last State Aid Payment Not Recognized on GAAP Basis				\$	
Fund Balance per Governmental Funds (GAAP)				105,640.55	

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Title I	\$ 10,215.00	\$ 3,007.00	\$ 13,222.00	\$ 13,222.00	
Title II Part A	5,952.00	1,474.00	7,426.00	7,426.00	
I.D.E.A., Part B Basic	27,790.00	10,048.00	37,838.00	37,838.00	
I.D.E.A., Part B, Preschool Incentive	2,628.00	950.00	3,578.00	3,578.00	
R.E.A.P.	16,089.00	15,512.00	31,601.00	31,601.00	
Total - Federal Sources	62,674.00	30,991.00	93,665.00	93,665.00	-
Total Revenues	\$ 62,674.00	\$ 30,991.00	\$ 93,665.00	\$ 93,665.00	-
EXPENDITURES:					
Instruction:					
Salaries	\$ 8,107.00	\$ 2,387.00	\$ 10,494.00	\$ 10,494.00	
Total Instruction	8,107.00	2,387.00	10,494.00	10,494.00	-
Support Services:					
Personal Services - Employee Benefits	18,197.00	16,132.00	34,329.00	34,329.00	
Purchased Professional and Technical Services	30,418.00	10,998.00	41,416.00	41,416.00	
Other Purchased Services	5,952.00	1,474.00	7,426.00	7,426.00	
Total Support Services	54,567.00	28,604.00	83,171.00	83,171.00	-
Total Expenditures	\$ 62,674.00	\$ 30,991.00	\$ 93,665.00	\$ 93,665.00	-

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2015

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 2,739,635.02	\$ 93,665.00
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2013.	90,034.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July, 2014.	<u>(90,735.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 2,738,934.02</u>	<u>\$ 93,665.00</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 2,816,790.58	\$ 93,665.00
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 2,816,790.58</u>	<u>\$ 93,665.00</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0061083068%	0.0048886528%
School District's Proportionate Share of the Net Pension Liability	\$ 1,143,642.00	\$ 934,319.00
School District's Covered-Employee Payroll	\$ 350,219.00	\$ 336,445.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	326.55%	277.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Two Fiscal Years

	<u>Fiscal Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 45,978.00	\$ 50,356.00
Contributions in Relation to the Contractually Required Contribution	<u>(45,978.00)</u>	<u>(50,356.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 364,001.00	\$ 350,219.00
Contributions as a Percentage of School District's Covered-Employee Payroll	12.63%	14.38%

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.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>4,891,615.00</u>	<u>4,222,756.00</u>
	<u>\$ 4,891,615.00</u>	<u>\$ 4,222,756.00</u>
School District's Covered-Employee Payroll	\$ 852,844.00	\$ 818,514.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	573.57%	515.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

The School 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.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2015

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.

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

SPECIAL REVENUE FUND

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2015

	N.C.L.B.		I.D.E.A. Part B		I.D.E.A. Part B Preschool	R.E.A.P.
<u>Total</u>	<u>Title I</u>	<u>Title II Part A</u>	<u>Basic</u>	<u>Preschool</u>		
REVENUES:						
Federal Sources	\$ 93,665.00	\$ 13,222.00	\$ 37,838.00	\$ 3,578.00	\$ 31,601.00	
State Sources						
Local Sources	-	7,426.00				
Total Revenues	\$ 93,665.00	\$ 20,648.00	\$ 37,838.00	\$ 3,578.00	\$ 31,601.00	
EXPENDITURES:						
Instruction:						
Salaries	\$ 10,494.00	\$ 10,494.00				
Total Instruction	10,494.00	-	-	-	-	
Support Services:						
Personal Services - Employee Benefits	34,329.00	2,728.00			\$ 31,601.00	
Purchased Professional and Technical Services	41,416.00		\$ 37,838.00	\$ 3,578.00		
Other Purchased Services	7,426.00	\$ 7,426.00				
Total Support Services	83,171.00	7,426.00	37,838.00	3,578.00	31,601.00	
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment	-	-	-	-	-	
Total Expenditures	\$ 93,665.00	\$ 7,426.00	\$ 37,838.00	\$ 3,578.00	\$ 31,601.00	

PROPRIETARY FUNDS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2015

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 2,179.99
Accounts Receivable:	
State	48.89
Federal	1,428.60
Inventories	<u>1,507.11</u>
Total Current Assets	<u>5,164.59</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	39,995.36
Less Accumulated Depreciation	<u>(32,562.95)</u>
Total Noncurrent Assets	<u>7,432.41</u>
Total Assets	<u>12,597.00</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	<u>10,247.56</u>
Total Liabilities	<u>10,247.56</u>
NET POSITION:	
Net Investment in Capital Assets	7,432.41
Unrestricted (Deficit)	<u>(5,082.97)</u>
Total Net Position	<u><u>\$ 2,349.44</u></u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 19,858.65
School Breakfast Program	14.90
Daily Sales - Non-Reimbursable Programs:	<u>3,501.15</u>
Total Operating Revenues	<u>23,374.70</u>
OPERATING EXPENSES:	
Salaries	35,246.66
Benefits	29,948.87
General Supplies	1,255.52
Repairs	428.79
Depreciation	1,221.91
Cost of Sales	<u>27,781.93</u>
Total Operating Expenses	<u>95,883.68</u>
Operating Income / (Loss)	<u>(72,508.98)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	652.28
Federal Sources:	
National School Lunch Program	17,826.14
National School Breakfast Program	49.72
Food Distribution Program	4,320.27
Board Contribution	<u>46,703.39</u>
Total Nonoperating Revenues (Expenses)	<u>69,551.80</u>
Change in Net Position	(2,957.18)
Net Position -- July 1	<u>5,306.62</u>
Net Position -- June 30	<u><u>\$ 2,349.44</u></u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 23,374.70
Payments to Employees	(35,246.66)
Payments for Employee Benefits	(29,948.87)
Payments for Supplies and Services	<u>(30,379.26)</u>
Net Cash Provided by (used for) Operating Activities	<u>(72,200.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	645.46
Federal Sources	21,819.85
Operating Subsidies and Transfers to Other Funds	<u>47,050.49</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>69,515.80</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,684.29)
Cash and Cash Equivalents -- July 1	<u>4,864.28</u>
Cash and Equivalents -- June 30	<u>\$ 2,179.99</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (72,508.98)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	1,221.91
(Increase) Decrease in Inventories	<u>(913.02)</u>
Total Adjustments	<u>308.89</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (72,200.09)</u>

FIDUCIARY FUNDS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	Agency Funds		
	Student Activity	Payroll	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,070.61	\$ 58,417.05	\$ 59,487.66
Interfund Accounts Receivable:			
Due General Fund		5,486.37	5,486.37
Total Assets	\$ 1,070.61	\$ 63,903.42	\$ 64,974.03
LIABILITIES:			
Interfund Accounts Payable:			
Due General Fund	\$ 101.00		\$ 101.00
Payable to Student Groups	969.61		969.61
Summer Pay Payable		\$ 57,925.40	57,925.40
Payroll Deductions and Withholdings		5,978.02	5,978.02
Total Liabilities	\$ 1,070.61	\$ 63,903.42	\$ 64,974.03

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Decreased</u>	<u>Balance</u> <u>June 30, 2015</u>
SCHOOLS:				
Elementary	\$ 969.21	\$ 0.40		\$ 969.61
Due to General Fund	<u>100.00</u>	<u>1.00</u>	<u> </u>	<u>101.00</u>
Total All Schools	<u>\$ 1,069.21</u>	<u>\$ 1.40</u>	<u> -</u>	<u>\$ 1,070.61</u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 66,981.07	\$ 2,037,735.05	\$ 2,046,299.07	\$ 58,417.05
Interfund Accounts Receivable:				
Due General Fund	<u>8,215.81</u>	<u> </u>	<u>2,729.44</u>	<u>5,486.37</u>
Total Assets	<u><u>\$ 75,196.88</u></u>	<u><u>\$ 2,037,735.05</u></u>	<u><u>\$ 2,049,028.51</u></u>	<u><u>\$ 63,903.42</u></u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 8,604.28	\$ 694,319.92	\$ 696,946.18	\$ 5,978.02
Summer Pay Payable	66,592.60	57,925.40	66,592.60	57,925.40
Net Payroll		1,066,682.69	1,066,682.69	
Contra		205,765.57	205,765.57	
Interfund Accounts Payable:				
Due General Fund	<u> </u>	<u>13,041.47</u>	<u>13,041.47</u>	<u> </u>
Total Liabilities	<u><u>\$ 75,196.88</u></u>	<u><u>\$ 2,037,735.05</u></u>	<u><u>\$ 2,049,028.51</u></u>	<u><u>\$ 63,903.42</u></u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2015	2014	2013 (1)	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,112,413.47	\$ 713,560.19	\$ 785,357.99	\$ 857,155.79	\$ 928,953.59	\$ 995,255.62	\$ 732,062.01	\$ 820,375.61	\$ 888,721.00	\$ 956,438.00
Restricted	135,001.00	135,001.00	134,500.00	124,468.00	141,569.00	93,779.92	46,001.00	50,446.00	128,560.00	193,562.00
Unrestricted	(1,173,026.39)	11,601.20	40,323.57	95,990.70	122,427.86	123,446.95	106,526.72	500.16	(9,306.00)	(8,170.00)
Total Governmental Activities Net Position	\$ 74,388.08	\$ 860,162.39	\$ 960,181.56	\$ 1,077,614.49	\$ 1,192,950.45	\$ 1,212,482.49	\$ 886,589.73	\$ 871,321.77	\$ 1,007,975.00	\$ 1,141,830.00
Business-type Activities:										
Net Investment in Capital Assets	\$ 7,432.41	\$ 8,654.32	\$ 9,940.24	\$ 11,226.16	\$ 10,160.62	\$ 10,321.77	\$ 7,646.76	\$ 8,866.85	\$ 4,576.00	\$ 6,864.00
Unrestricted	(5,082.97)	(3,347.70)	(2,995.21)	(5,863.24)	(2,784.35)	(1,383.43)	6,021.05	14,629.38	37,773.00	38,865.00
Total Business-type Activities Net Position	\$ 2,349.44	\$ 5,306.62	\$ 6,945.03	\$ 5,362.92	\$ 7,376.27	\$ 8,938.34	\$ 13,667.81	\$ 23,496.23	\$ 42,349.00	\$ 45,729.00
District-wide:										
Net Investment in Capital Assets	\$ 1,119,845.88	\$ 722,214.51	\$ 795,298.23	\$ 868,381.95	\$ 939,114.21	\$ 1,005,577.39	\$ 739,708.77	\$ 829,242.46	\$ 893,297.00	\$ 963,302.00
Restricted	135,001.00	135,001.00	134,500.00	124,468.00	141,569.00	93,779.92	46,001.00	50,446.00	128,560.00	193,562.00
Unrestricted	(1,178,109.36)	8,253.50	37,328.36	90,127.46	119,643.51	122,063.52	114,547.77	15,129.54	28,467.00	30,695.00
Total District-wide Net Position	\$ 76,737.52	\$ 865,469.01	\$ 967,126.59	\$ 1,082,977.41	\$ 1,200,326.72	\$ 1,221,420.83	\$ 900,257.54	\$ 894,818.00	\$ 1,050,324.00	\$ 1,187,559.00

Source: Exhibit A-1

(1) In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School 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.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,184,556.01	\$ 1,134,665.93	\$ 1,140,581.92	\$ 1,047,382.95	\$ 1,073,118.71	\$ 942,961.39	\$ 1,095,267.90	\$ 1,081,826.46	\$ 961,601.00	\$ 959,856.00
Special Education	309,598.69	226,625.44	196,832.20	189,901.99	179,115.40	194,281.07	177,015.00	276,524.04	163,748.00	157,192.00
Other Instruction	47,284.35	52,995.56	47,162.75	71,223.70	56,464.50	71,350.80	56,340.79	59,986.65	55,118.00	44,050.00
Support Services:										
Tuition	107,067.91	30,856.50	49,009.60	92,381.54	97,258.56	19,417.00	58,319.16	60,003.34	57,641.00	110,073.00
Student and Instruction Related Services	292,788.78	261,090.80	250,115.57	204,329.62	219,656.58	216,255.83	225,471.68	168,702.72	270,849.00	211,589.00
School Administrative Services	22,322.01	13,310.36	12,903.30	82,192.80	18,547.04	17,192.06	14,910.44	14,083.50	12,544.00	12,019.00
General and Business Administrative Services	259,440.16	241,467.22	272,341.64	242,739.95	231,147.54	249,124.30	248,124.30	236,563.49	301,455.00	200,689.00
Plant Operations and Maintenance	315,951.30	313,026.10	313,638.09	269,754.61	294,772.24	310,516.12	268,727.65	300,780.32	269,648.00	246,707.00
Pupil Transportation	185,621.93	170,578.44	128,971.45	173,358.90	132,731.18	147,982.99	151,925.29	241,039.77	215,762.00	239,693.00
Unallocated Benefits	604,642.26	311,123.62	278,484.76	288,766.33	227,352.09	252,103.24	215,928.49	330,736.28	314,857.00	239,751.00
Interest on Long-term Debt								3,060.80	(17,283.00)	
Reduction of Capital Leases									15,657.00	
Adjustment/Reduction of Fixed Assets									(17,570.00)	
Unallocated Compensated Absences									85,000.00	
Unallocated Depreciation										86,669.00
Total Governmental Activities Expenses	3,329,273.40	2,755,739.97	2,690,041.28	2,610,739.98	2,541,756.25	2,403,210.93	2,513,030.70	2,773,317.37	2,689,027.00	2,511,341.00
Business-type Activities:										
Food Service	95,883.68	80,646.40	77,785.55	81,104.13	78,595.72	78,375.08	71,278.59	73,897.46	75,574.00	73,106.00
Total Business-type Activities Expense	95,883.68	80,646.40	77,785.55	81,104.13	78,595.72	78,375.08	71,278.59	73,897.46	75,574.00	73,106.00
Total District Expenses	\$ 3,425,157.08	\$ 2,836,386.37	\$ 2,767,826.83	\$ 2,691,844.11	\$ 2,620,351.97	\$ 2,481,586.01	\$ 2,584,309.29	\$ 2,847,214.83	\$ 2,764,601.00	\$ 2,584,447.00
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 495,836.63	\$ 275,312.30	\$ 273,171.26	\$ 230,272.51	\$ 225,086.84	\$ 213,998.32	\$ 223,805.02	\$ 357,372.43	\$ 83,192.00	\$ 96,417.00
Total Governmental Activities Program Revenues	495,836.63	275,312.30	273,171.26	230,272.51	225,086.84	213,998.32	223,805.02	357,372.43	83,192.00	96,417.00
Business-type activities:										
Charges for services:										
Food service	23,374.70	24,599.73	29,059.11	30,351.40	30,903.45	30,152.60	31,036.45	33,303.50	29,821.00	28,465.00
Operating Grants and Contributions	22,848.41	19,772.14	20,689.59	18,620.98	15,799.25	16,786.31	15,694.19	12,519.96	14,037.00	14,401.00
Total Business-type Activities Program Revenues	46,223.11	44,371.87	49,748.70	48,972.38	46,702.70	46,938.91	46,730.64	45,823.46	43,858.00	42,866.00
Total District Program Revenues	\$ 542,059.74	\$ 319,684.17	\$ 322,919.96	\$ 279,244.89	\$ 271,789.54	\$ 260,937.23	\$ 270,535.66	\$ 403,195.89	\$ 127,050.00	\$ 139,283.00
Net (Expense)/Revenue:										
Governmental Activities	\$ (2,833,436.77)	\$ (2,480,427.67)	\$ (2,416,870.02)	\$ (2,380,467.47)	\$ (2,316,669.41)	\$ (2,189,212.61)	\$ (2,289,225.68)	\$ (2,415,944.94)	\$ (2,605,835.00)	\$ (2,414,924.00)
Business-type Activities	(49,660.57)	(36,274.53)	(28,036.85)	(32,131.75)	(31,893.02)	(31,436.17)	(24,547.95)	(28,074.00)	(31,716.00)	(30,240.00)
Total District-wide Net Expense	\$ (2,883,097.34)	\$ (2,516,702.20)	\$ (2,444,906.87)	\$ (2,412,599.22)	\$ (2,348,562.43)	\$ (2,220,648.78)	\$ (2,313,773.63)	\$ (2,444,018.94)	\$ (2,637,551.00)	\$ (2,445,164.00)

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,645,292.00	\$ 1,508,340.00	\$ 1,436,788.00	\$ 1,368,673.00	\$ 1,458,674.00	\$ 1,423,817.00	\$ 1,401,150.00	\$ 1,398,337.00	\$ 1,371,804.00	\$ 1,495,677.00
Unrestricted Grants and Contributions	912,309.00	904,719.58	889,407.00	922,556.00	862,546.00	876,974.00	915,821.85	867,569.15	1,109,587.00	1,033,063.00
Investment Earnings	484.39	1,969.58	2,815.24	3,898.88	4,336.21	3,728.19	1,940.77	9,118.23	13,223.00	1,626.00
Other	470,599.46		25.22	83.00	1,845.42	109.89	221.56	7,559.31	5,368.00	25,781.00
Donated Assets						261,013.00		27,431.71		
Cancellation of a Payable						2,298.07				
Transfers	(46,703.39)	(34,620.66)	(29,598.37)	(30,079.17)	(30,264.27)	(26,648.53)	(14,640.54)	(30,722.22)	(28,002.00)	(27,953.00)
Total Governmental Activities	2,981,981.46	2,380,408.50	2,299,437.09	2,265,131.51	2,297,137.36	2,541,291.62	2,304,493.64	2,279,293.18	2,471,980.00	2,528,194.00
Business-type Activities:										
Investment Earnings	46,703.39	15.46	20.59	39.23	66.68	58.17	78.99	254.99	334.00	314.00
Transfers		34,620.66	29,598.37	30,079.17	30,264.27	26,648.53	14,640.54	30,722.22	28,002.00	27,953.00
Total Business-type Activities	46,703.39	34,636.12	29,618.96	30,118.40	30,330.95	26,706.70	14,719.53	3,545.50	28,336.00	28,267.00
Total District-wide	\$ 3,028,684.85	\$ 2,415,044.62	\$ 2,329,056.05	\$ 2,295,249.91	\$ 2,327,468.31	\$ 2,567,998.32	\$ 2,319,213.17	\$ 2,282,838.68	\$ 2,500,316.00	\$ 2,556,461.00
Change in Net Position:										
Governmental Activities	\$ 148,544.69	\$ (100,019.17)	\$ (117,432.93)	\$ (115,335.96)	\$ (19,532.05)	\$ 352,079.01	\$ 15,287.96	\$ (136,651.76)	\$ (133,855.00)	\$ 113,270.00
Business-type Activities	(2,957.18)	(1,638.41)	1,582.11	(2,013.35)	(1,562.07)	(4,729.47)	(9,828.42)	(24,528.50)	(3,380.00)	(1,973.00)
Total District	\$ 145,587.51	\$ (101,657.58)	\$ (115,850.82)	\$ (117,349.31)	\$ (21,094.12)	\$ 347,349.54	\$ 5,439.54	\$ (161,180.26)	\$ (137,235.00)	\$ 111,297.00

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School 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.

Source: Exhibit A-2

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Assigned	\$ 135,000.00	\$ 135,000.00	\$ 100,000.47	\$ 67,833.41	\$ 25,660.08					
Unassigned	(29,360.45)	95,199.50	141,582.52	198,946.53	226,297.59					
Restricted	1.00	1.00	34,499.53	56,634.59	115,908.92					
Reserved						\$ 83,470.17	\$ 1.00	\$ 1.00	\$ 128,560.00	\$ 193,561.00
Unreserved						260,309.75	274,943.25	153,649.48	67,552.00	86,259.00
Total General Fund	\$ 105,640.55	\$ 230,200.50	\$ 276,082.52	\$ 323,414.53	\$ -	\$ 343,779.92	\$ 274,944.25	\$ 153,650.48	\$ 196,112.00	\$ 279,820.00
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund								\$ (576.15)	\$ (276.00)	\$ (276.00)
Total All Other Governmental Funds	-	-	-	-	-	-	-	\$ (576.15)	\$ (276.00)	\$ (276.00)

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed. See the notes to the financial statements.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30.									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES:										
Tax Levy	\$ 1,645,292.00	\$ 1,508,340.00	\$ 1,436,788.00	\$ 1,368,673.00	\$ 1,458,674.00	\$ 1,423,817.00	\$ 1,401,150.00	\$ 1,398,337.00	\$ 1,371,804.00	\$ 1,495,677.00
Other Local Revenue	484.39	1,969.58	2,840.46	3,981.68	6,181.63	3,838.08	2,162.33	16,677.54	18,591.00	27,407.00
State Sources	1,093,157.63	1,081,016.38	1,080,361.76	1,055,059.51	999,983.84	874,716.26	1,060,403.72	1,145,342.58	1,115,110.00	1,042,586.00
Federal Sources	93,665.00	99,015.50	82,216.50	97,769.00	87,649.00	216,256.06	79,223.15	79,599.00	77,669.00	86,894.00
Total Revenue	2,832,599.02	2,690,341.46	2,602,206.72	2,525,483.19	2,552,488.47	2,518,627.40	2,542,939.20	2,639,956.12	2,583,174.00	2,652,564.00
EXPENDITURES:										
Instruction:										
Regular Instruction	1,096,734.21	1,088,890.93	1,090,365.32	991,525.39	1,008,195.58	934,832.41	995,659.88	983,902.96	961,601.00	1,032,726.00
Special Education Instruction	300,432.59	226,625.44	196,832.20	189,901.99	186,399.00	201,564.67	184,298.60	276,524.04	163,748.00	157,192.00
Other Instruction	47,284.35	52,995.56	47,162.75	71,223.70	56,464.50	71,350.80	56,340.79	59,996.65	55,118.00	44,050.00
Support Services:										
Tuition	107,067.91	30,856.50	49,009.60	92,381.54	97,258.56	19,417.00	58,319.16	60,003.34	57,641.00	110,073.00
Student and Instruction Related Services	287,048.47	258,759.52	290,115.57	204,329.62	219,656.58	222,923.46	225,471.68	188,702.72	270,849.00	211,569.00
School Administrative Services	14,482.16	12,144.72	9,697.48	81,701.92	11,718.80	17,192.06	17,013.86	14,083.50	12,544.00	12,019.00
Other Administrative Services	242,141.41	240,777.58	251,214.64	182,370.88	259,849.55	226,024.97	239,208.23	228,701.61	301,455.00	200,689.00
Plant Operations and Maintenance	306,736.70	309,281.30	306,801.37	266,619.97	291,637.60	292,551.03	266,902.88	298,452.60	269,648.00	246,707.00
Pupil Transportation	180,233.26	169,421.42	138,804.20	171,034.74	139,605.27	167,007.26	158,178.67	241,039.77	215,762.00	239,693.00
Unallocated Benefits	328,294.52	311,849.85	279,937.23	288,766.33	227,352.09	231,969.29	205,034.99	330,736.28	314,857.00	239,751.00
Capital Outlay						40,608.32		17,282.67	71,522.00	
Total Expenditures	2,910,455.58	2,701,602.82	2,619,940.36	2,539,856.08	2,498,137.53	2,425,441.27	2,406,428.74	2,679,426.14	2,694,745.00	2,494,489.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,856.56)	(11,261.36)	(17,733.64)	(14,372.89)	54,350.94	93,186.13	136,510.46	(39,470.02)	(111,571.00)	158,075.00
OTHER FINANCING SOURCES (USES):										
Capital Leases (Non-budgeted)						2,298.07		27,431.71	55,865.00	
Cancellation of Payable						(26,648.53)		(30,722.22)	(28,002.00)	(27,953.00)
Transfers Out	(46,703.39)	(34,620.66)	(29,598.37)	(30,079.17)	(30,264.27)		(14,640.54)			
Total Other Financing Sources (Uses)	(46,703.39)	(34,620.66)	(29,598.37)	(30,079.17)	(30,264.27)	(24,350.46)	(14,640.54)	(3,290.51)	27,863.00	(27,953.00)
Net Change in Fund Balances	\$ (124,559.95)	\$ (45,882.02)	\$ (47,332.01)	\$ (44,452.06)	\$ 24,086.67	\$ 68,835.67	\$ 121,869.92	\$ (42,760.53)	\$ (63,708.00)	\$ 130,122.00
Debt Service as a Percentage of Noncapital Expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Exhibit B-2

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<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>
Interest Earned on Deposits	\$ 349.39	\$ 1,969.56	\$ 2,815.24	\$ 3,898.68	\$ 4,336.21	\$ 3,728.19	\$ 1,940.77	\$ 9,118.23	\$ 13,223.00	\$ 1,626.00
Miscellaneous	<u>135.00</u>	<u>0.02</u>	<u>25.22</u>	<u>83.00</u>	<u>1,845.38</u>	<u>109.89</u>	<u>221.56</u>	<u>7,559.31</u>	<u>5,368.00</u>	<u>25,781.00</u>
Total Miscellaneous Revenues	\$ 484.39	\$ 1,969.58	\$ 2,840.46	\$ 3,981.68	\$ 6,181.59	\$ 3,838.08	\$ 2,162.33	\$ 16,677.54	\$ 18,591.00	\$ 27,407.00

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Total Assessed Value	Public Utilities (2)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (1)
2015	\$ 7,637,600.00	\$ 124,453,700.00	\$ 15,030,300.00	\$ 5,991,600.00	\$ 9,322,000.00	\$ 162,435,200.00	\$ 100.00	\$ 162,435,300.00	\$ 65,785,200.00	\$ 140,320,763.00	\$ 1.053
2014	7,964,300.00	124,579,100.00	18,464,400.00	5,991,600.00	9,322,000.00	166,321,400.00	384,423.00	166,705,823.00	65,755,900.00	135,572,101.00	0.946
2013	8,168,500.00	125,492,500.00	18,620,600.00	5,991,600.00	9,322,000.00	167,595,200.00	541,723.00	168,136,923.00	65,746,600.00	143,969,365.00	0.821
2012	8,640,600.00	127,411,300.00	18,656,900.00	6,041,600.00	9,322,000.00	170,072,400.00	614,180.00	170,686,580.00	65,296,100.00	160,216,574.00	0.822
2011	8,790,400.00	128,184,800.00	19,061,760.00	6,041,600.00	9,322,000.00	171,400,560.00	628,646.00	172,029,206.00	65,296,100.00	158,937,097.00	0.835
2010	9,356,060.00	129,084,800.00	18,282,400.00	5,692,000.00	9,322,000.00	171,737,260.00	799,641.00	172,536,901.00	65,181,300.00	166,649,240.00	0.765
2009	9,293,360.00	128,114,100.00	18,321,200.00	5,692,000.00	9,322,000.00	170,742,660.00	757,305.00	171,499,965.00	64,978,700.00	175,699,176.00	0.765
2008	9,941,760.00	125,743,700.00	18,424,700.00	5,692,000.00	9,322,000.00	169,124,160.00	694,159.00	169,818,319.00	64,712,600.00	173,142,658.00	0.818
2007 (3)	9,839,400.00	124,813,800.00	19,056,300.00	5,817,000.00	9,322,000.00	168,848,500.00	649,341.00	169,497,841.00	64,732,100.00	166,365,800.00	1.490
2006	6,395,196.00	64,673,950.00	14,332,259.00	4,230,500.00	6,145,400.00	95,777,305.00	511,110.00	96,288,415.00	34,682,865.00	428,893,380.00	1.489

Source: Burlington County Board of Taxation

(1) Tax Rates are per \$100 of Assessed Valuation.

(2) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

(3) Revaluation

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Woodland	Burlington County		
2015	\$ 1.053		\$ 1.053	\$ 0.471	\$ 0.078	\$ 0.359	\$ 1.961	
2014	0.946		0.946	0.375	0.077	0.309	1.707	
2013	0.876		0.876	0.362	0.078	0.322	1.638	
2012	0.821		0.821	0.434	0.078	0.357	1.690	
2011	0.822		0.822	0.456	0.079	0.351	1.708	
2010	0.835		0.835	0.462	0.059	0.368	1.724	
2009	0.765		0.765	0.445		0.331	1.541	
2008	0.765		0.765	0.432		0.396	1.593	
2007 (1)	0.818		0.818	0.479		0.353	1.650	
2006	1.490		1.490	0.806		0.693	2.989	

Source: Municipal Tax Collector

(1) Revaluation

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

Taxpayer	2015				2006			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Ocean Spray Cranberries	\$ 6,945,800.00	1	4.28%	\$ 5,130,196.00	1	5.33%		
Ward Sand and Material Company	6,330,000.00	2	3.90%	3,984,287.00	2	4.14%		
Woodland Sand Company	2,234,900.00	3	1.38%	3,862,700.00	3	4.01%		
Shore Stone Company	1,750,000.00	4	1.08%	1,044,500.00	5	1.08%		
Air Time Inc. % M. Goldman	854,200.00	5	0.53%					
Verizon NJ				845,846.00	7	0.88%		
Homeowner	599,000.00	6	0.37%					
Homeowner	591,400.00	7	0.36%					
Homeowner	563,800.00	8	0.35%					
Homeowner	555,800.00	9	0.34%					
Andrew J Emmons, LLC	550,000.00	10	0.34%					
A.R. Demarco, Enterprises				1,946,600.00	4	2.02%		
WAWA				850,000.00	6	0.88%		
American Tower Corp. Micronet				466,700.00	8	0.48%		
Homeowner				350,000.00	9	0.36%		
Homeowner				350,000.00	10	0.36%		
Total	\$ 20,974,900.00		12.91%	\$ 18,830,829.00		19.56%		

Source: Municipal Tax Assessor

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30.</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2015	\$ 1,645,292.00	\$ 1,645,292.00	100.00%	
2014	1,508,340.00	1,508,340.00	100.00%	
2013	1,436,788.00	1,436,788.00	100.00%	
2012	1,368,673.00	1,368,673.00	100.00%	
2011	1,458,674.00	1,458,674.00	100.00%	
2010	1,423,817.00	1,423,817.00	100.00%	
2009	1,401,150.00	1,401,150.00	100.00%	
2008	1,398,337.00	1,398,337.00	100.00%	
2007	1,371,804.00	1,371,804.00	100.00%	
2006	1,495,677.00	1,495,677.00	100.00%	

Source: District Records

(1) 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.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Governmental Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2015						\$ 9,120.75	0.01%	\$ 5.10
2014						24,993.03	0.04%	18.50
2013						40,017.46	0.06%	29.58
2012						54,239.33	0.09%	40.39
2011								
2010						\$ 9,120.75	0.01%	\$ 5.10
2009						24,993.03	0.04%	18.50
2008						40,017.46	0.06%	29.58
2007						54,239.33	0.09%	40.39
2006								

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2014
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Woodland Township</u>
Municipal Debt: (1)				
Woodland Township Local and Regional School Districts	\$ 593,818.56	\$ 593,818.56		
Woodland Township	<u>250,000.00</u>		<u>\$ 250,000.00</u>	<u>\$ 250,000.00</u>
	843,818.56	593,818.56	250,000.00	250,000.00
Overlapping Debt Apportioned to the Municipality:				
County of Burlington: (2)				
General:				
Bonds	265,151,276.00	31,458,482.00 (3)	233,692,794.00	694,638.80 (5)
Bonds Issued by Other Public Bodies				
Guaranteed by the County	278,510,000.00	278,510,000.00 (4)		
Solid Waste Utility	<u>68,544,755.00</u>	<u>68,544,755.00</u>		
	612,206,031.00	378,513,237.00	233,692,794.00	694,638.80
	<u>\$ 613,049,849.56</u>	<u>\$ 379,107,055.56</u>	<u>\$ 233,942,794.00</u>	<u>\$ 944,638.80</u>

Sources:

- (1) 2014 Annual Debt Statement
- (2) County's 2014 Audit Report
- (3) Includes Cash on Hand, Accounts Receivable and County College Bonds Paid with State Aid.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2014 Equalized Value, which is .30%.
 The source for this computation was the 2014 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis (1)	
2014	\$ 143,677,782
2013	136,223,035
2012	145,547,625
[A]	<u>\$ 425,448,442</u>
Average equalized valuation of taxable property	
[A/3]	<u>\$ 141,816,147</u>
Debt limit (3% of average equalization value) (2)	
[B]	\$ 4,254,484.42
[C]	<u>-</u>
[B-C]	<u>\$ 4,254,484.42</u>

	Fiscal Year Ended June 30,										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Debt Limit	\$ 4,254,484.42	\$ 4,427,101.53	\$ 4,651,065.51	\$ 4,844,480.21	\$ 4,967,737.28	\$ 5,103,081.49	\$ 5,090,290.71	\$ 4,862,789.91	\$ 4,389,319.00	\$ 3,847,025.00	
Total Net Debt Applicable to Limit (3)	<u>\$ 4,254,484.42</u>	<u>\$ 4,427,101.53</u>	<u>\$ 4,651,065.51</u>	<u>\$ 4,844,480.21</u>	<u>\$ 4,967,737.28</u>	<u>\$ 5,103,081.49</u>	<u>\$ 5,090,290.71</u>	<u>\$ 4,862,789.91</u>	<u>\$ 4,389,319.00</u>	<u>\$ 3,847,025.00</u>	
Legal Debt Margin											
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by N.J.S.A. 18A:24-19 for a K through 8 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	1,795	Unavailable	Unavailable	6.8%
2013	1,797	\$ 92,793,486.00	\$ 51,638.00	5.5%
2012	1,802	92,044,358.00	51,079.00	11.1%
2011	1,790	88,830,540.00	49,626.00	10.7%
2010	1,788	85,554,012.00	47,849.00	11.0%
2009	1,351	64,648,052.00	47,852.00	10.3%
2008	1,353	64,923,705.00	47,985.00	6.0%
2007	1,343	62,456,215.00	46,505.00	4.4%
2006	1,365	61,038,705.00	44,717.00	4.9%
2005	1,355	57,128,155.00	42,161.00	3.0%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (2) Personal income has been estimated based upon the municipal population and per capita.
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	2015			2006		
	<u>Employees</u>	<u>Rank</u>	Percentage of Total Municipal <u>Employment</u>	<u>Employees</u>	<u>Rank</u>	Percentage of Total Municipal <u>Employment</u>

THIS INFORMATION IS NOT AVAILABLE.

Source: Individual Employers

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	15	15	15	13	15	14	14	14	14	13
Regular	3	2	5	3	3	3	3	3	2	2
Special education	0	0	0	0	0	0	0	0	0	0
Other special education	0	0	0	0	0	0	0	0	0	0
Vocational	0	0	0	0	0	0	0	0	0	0
Other instruction	0	0	0	0	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0	0	0	0	0	0
Support Services:										
Tuition	0	0	0	0	0	0	0	0	0	0
Student & instruction related services	4	3	1	3	3	5	6	4	7	7
General administrative services	1	1	1	0	1	1	1	1	1	1
School administrative services	0	0	0	1	0	0	0	0	2	2
Business administrative services	1	1	1	1	1	1	1	1	0	0
Plant operations and maintenance	2	2	3	3	2	2	2	2	2	2
Pupil transportation	2	2	2	2	3	3	5	5	5	5
Food Service	2	2	2	0	0	0	0	2	2	2
Other	3	3	2	2	2	1	0	0	0	0
Total	33	31	29	28	30	30	32	31	34	34

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	School				
2015	156	\$ 2,910,496.82	\$ 18,657.03	2.90%	20	7.8	154	145	6.48%	94.11%	
2014	149	2,701,602.82	18,131.56	8.65%	18	8.3	145	137	-4.61%	94.48%	
2013	157	2,619,940.36	16,687.52	1.84%	18	9.0	152	145	5.34%	95.39%	
2012	155	2,539,856.08	16,386.17	-2.92%	16	9.7	144	137	-2.83%	95.22%	
2011	148	2,498,137.53	16,879.31	4.04%	16	9.3	149	141	-0.93%	94.88%	
2010	147	2,384,832.95	16,223.35	4.50%	17	8.6	150	142	-3.04%	95.00%	
2009	155	2,406,428.74	15,525.35	-10.77%	17	9.1	155	145	1.38%	94.00%	
2008	153	2,662,143.47	17,399.63	-0.51%	18	8.5	153	144	1.94%	94.10%	
2007	150	2,623,223.00	17,488.15	5.86%	18	8.3	150	142	-0.13%	94.72%	
2006	151	2,494,489.00	16,519.79	2.07%	18	8.4	150	141	5.20%	94.39%	

Sources: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<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>
<u>District Building</u>										
<u>Elementary</u>										
Woodland Elementary (1969)	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Square Feet	225	225	225	225	225	225	225	225	225	225
Capacity (students)	152	145	160	155	148	147	155	153	150	152
Enrollment										

Number of Schools at June 30, 2015
 Elementary School = 1
 Middle/Community School = 0
 High School = 0
 Other = 0

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary School	N/A	\$ 111,250.27	\$ 94,615.07	\$ 92,511.98	\$ 86,915.45	\$ 77,443.19	\$ 87,959.73	\$ 76,837.75	\$ 171,026.64	\$ 167,183.00	\$ 162,270.00
Total School Facilities		\$ 111,250.27	\$ 94,615.07	\$ 92,511.98	\$ 86,915.45	\$ 77,443.19	\$ 87,959.73	\$ 76,837.75	\$ 171,026.64	\$ 167,183.00	\$ 162,270.00

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

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Insurance Schedule

June 30, 2015

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property	\$ 350,000,000.00	\$ 1,000.00
General Liability	11,000,000.00	
Automobile Liability	11,000,000.00	1,000.00
Workers Compensation	2,000,000.00	
Boiler and Machinery	100,000,000.00	1,000.00
Electronic Data Processing	73,000.00	1,000.00
Professional Liability	1,000,000.00	5,000.00
Public Employees Dishonesty Coverage	250,000.00	1,000.00
Student Accident	1,000,000.00	
Bonds:		
Business Administrator/Board Secretary	250,000.00	1,000.00
Treasurer of School Funds/Superintendent	250,000.00	1,000.00

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Woodland Township School District
County of Burlington
Chatsworth, New Jersey 08019

Report on Compliance for Each Major State Program

We have audited the Township of Woodland School District's, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2015. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Woodland School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Township of Woodland School District, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 15-08-OMB, and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as items 2015-004 and 2015-005. Our opinion on each major state program is not modified with respect to these matters.

The School District's response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Township of Woodland School District, State of New Jersey, 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 15-08-OMB, 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 School District's internal control over compliance.

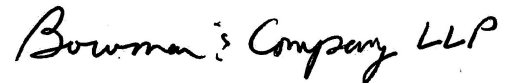
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as items 2015-004 and 2015-005 to be significant deficiencies.

The School District's response to the internal control over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
December 15, 2015

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2015

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Grant Period</u>		<u>Balance</u> <u>June 30, 2014</u>
				<u>From</u>	<u>To</u>	
Special Revenue Fund:						
U.S. Department of Education:						
R.E.A.P.	84.358A	Unavailable	\$ 16,089.00	7-1-13	9-30-14	
R.E.A.P.	84.358A	Unavailable	15,512.00	7-1-14	9-30-15	
Total R.E.A.P.Cluster						-
Passed-through State Department of Education:						
N.C.L.B.:						
Title I	84.010A	IASA589014	12,769.00	7-1-13	6-30-14	\$ (12,769.00)
Title I	84.010A	IASA589015	13,222.00	7-1-14	6-30-15	
Title II - Part A	84.367A	IASA589014	7,440.00	7-1-13	6-30-14	(7,440.00)
Title II - Part A	84.367A	IASA589015	7,425.00	7-1-14	6-30-15	
Total N.C.L.B.Cluster						(20,209.00)
I.D.E.A. Part B:						
Basic	84.027	FT589014	38,022.00	7-1-13	6-30-14	(38,022.00)
Basic	84.027	FT589015	37,838.00	7-1-14	6-30-15	
ARRA - Basic	84.391	FT589010	32,903.00	7-1-09	8-31-11	2,312.47
Pre-School	84.173	PS589014	3,597.00	7-1-13	6-30-14	(3,597.00)
Pre-School	84.173	PS589015	3,578.00	7-1-14	6-30-15	
ARRA - Pre-School	84.392A	PS589010	1,188.00	7-1-09	8-31-11	102.47
Total I.D.E.A. Part B Special Education Cluster						(39,204.06)
Total Special Revenue Fund						(59,413.06)
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Non-Cash Assistance (Food Distribution):						
Child Nutrition Cluster:						
Food Distribution Program	10.555	Unavailable	4,195.78	7-1-13	6-30-14	281.27
Food Distribution Program	10.555	Unavailable	4,320.27	7-1-14	6-30-15	
National School Lunch Program	10.555	Unavailable	14,929.40	7-1-13	6-30-14	(1,052.32)
National School Lunch Program	10.555	Unavailable	17,826.14	7-1-14	6-30-15	
National School Breakfast Program	10.553	Unavailable	49.72	7-1-14	6-30-15	
Total Enterprise Fund:						(771.05)
Total Federal Financial Assistance						<u>\$ (60,184.11)</u>

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

These funds were not audited in accordance with U.S. OMB Circular A-133 since the total of all grant expenditures did not exceed \$500,000.

Carry-over Amount	Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		
					Accounts Receivable	Unearned Revenue	Due to Grantor
			\$ 16,089.00		\$ (16,089.00)		
			15,512.00		(15,512.00)		
-	-	-	31,601.00	-	(31,601.00)	-	-
	\$ 12,769.00						
	13,222.00		13,222.00				
	7,440.00						
	7,426.00		7,426.00				
-	40,857.00	-	20,648.00	-	-	-	-
	38,022.00						
			37,838.00		(37,838.00)		
	3,597.00			\$ 2,312.47			
			3,578.00		(3,578.00)		
				102.47			
-	41,619.00	-	41,416.00	2,414.94	(41,416.00)	-	-
-	82,476.00	-	93,665.00	2,414.94	(73,017.00)	-	-
			281.27				
	4,320.27		3,490.03			\$ 830.24	
	1,052.32						
	16,397.54		17,826.14		(1,428.60)		
	49.72		49.72				
-	21,819.85	-	21,647.16	-	(1,428.60)	830.24	-
-	\$ 104,295.85	-	\$ 115,312.16	\$ 2,414.94	\$ (74,445.60)	\$ 830.24	-

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2015

<u>State Grantor/ Program Title</u>	State Project <u>Number</u>	Award <u>Amount</u>	<u>Grant Period</u>		<u>Balance at June 30, 2014</u>	
			<u>From</u>	<u>To</u>	<u>Unearned Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Categorical Aid Special Education Aid	14-495-034-5120-089	\$ 86,673.00	7-1-13	6-30-14	\$ (8,629.36)	
Categorical Aid Special Education Aid	15-495-034-5120-089	86,673.00	7-1-14	6-30-15		
Equalization Aid	14-495-034-5120-078	703,536.58	7-1-13	6-30-14	(70,045.77)	
Equalization Aid	15-495-034-5120-078	703,702.00	7-1-14	6-30-15		
Categorical Aid Security Aid	14-495-034-5120-084	14,739.00	7-1-13	6-30-14	(1,467.45)	
Categorical Aid Security Aid	15-495-034-5120-084	14,739.00	7-1-14	6-30-15		
Adjustment Aid	14-495-034-5120-085	41,487.00	7-1-13	6-30-14	(4,130.54)	
Adjustment Aid	15-495-034-5120-085	41,487.00	7-1-14	6-30-15		
Per Pupil Growth Aid	15-495-034-5120-097	1,430.00	7-1-14	6-30-15		
PARCC Readiness	15-495-034-5120-098	1,430.00	7-1-14	6-30-15		
Total State Aid - Public Cluster					(84,273.12)	-
Transportation Aid:						
Categorical Transportation Aid	14-495-034-5120-014	57,862.00	7-1-13	6-30-14	(5,760.88)	
Categorical Transportation Aid	15-495-034-5120-014	57,862.00	7-1-14	6-30-15		
Total Transportation Aid					(5,760.88)	-
Extraordinary Aid	15-100-034-5120-473	5,687.00	7-1-14	6-30-15	-	-
T.P.A.F. Social Security Aid	14-495-034-5095-002	74,095.80	7-1-13	6-30-14	(45,364.92)	
T.P.A.F. Social Security Aid	15-495-034-5095-002	72,453.63	7-1-14	6-30-15		
Total Reimbursed TPAF Social Security Contributions					(45,364.92)	-
Total General Fund					(135,398.92)	-
Enterprise Fund:						
State School Lunch Aid	14-100-010-3350-023	646.96	7-1-13	6-30-14	(42.07)	
State School Lunch Aid	15-100-010-3350-023	652.28	7-1-14	6-30-15		
Total Enterprise Fund					(42.07)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(135,440.99)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-006 / 007	41,892.00	7-1-14	6-30-15		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	66,503.00	7-1-14	6-30-15		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (135,440.99)	-

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are and integral part of this schedule.

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015			Memo	
				Accounts Receivable	Unearned Revenue/ Interfunds Payable	Due to Grantor	Budgetary Receivable June 30, 2015	Cumulative Total Expenditures
\$ 8,629.36								
78,005.44		\$ 86,673.00		\$ (8,667.56)			\$ (8,667.56)	\$ 86,673.00
70,045.77								
633,329.70		703,702.00		(70,372.30)			(70,372.30)	703,702.00
1,467.45								
13,265.05		14,739.00		(1,473.95)			(1,473.95)	14,739.00
4,130.54								
37,338.18		41,487.00		(4,148.82)			(4,148.82)	41,487.00
1,287.00		1,430.00		(143.00)			(143.00)	1,430.00
1,287.00		1,430.00		(143.00)			(143.00)	1,430.00
<u>848,785.49</u>	<u>-</u>	<u>849,461.00</u>	<u>-</u>	<u>(84,948.63)</u>	<u>-</u>	<u>-</u>	<u>(84,948.63)</u>	<u>849,461.00</u>
5,760.88								
52,075.63		57,862.00		(5,786.37)			(5,786.37)	57,862.00
<u>57,836.51</u>	<u>-</u>	<u>57,862.00</u>	<u>-</u>	<u>(5,786.37)</u>	<u>-</u>	<u>-</u>	<u>(5,786.37)</u>	<u>57,862.00</u>
-		5,687.00		(5,687.00)			-	5,687.00
45,364.92								
64,956.57		72,453.63		(7,497.06)				72,453.63
<u>110,321.49</u>	<u>-</u>	<u>72,453.63</u>	<u>-</u>	<u>(7,497.06)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,453.63</u>
1,016,943.49		985,463.63		(103,919.06)			(90,735.00)	985,463.63
78.07		36.00						36.00
567.39		518.50			\$ 48.89			518.50
<u>645.46</u>	<u>-</u>	<u>554.50</u>	<u>-</u>	<u>-</u>	<u>48.89</u>	<u>-</u>	<u>-</u>	<u>554.50</u>
<u>1,017,588.95</u>	<u>-</u>	<u>986,018.13</u>	<u>-</u>	<u>(103,919.06)</u>	<u>48.89</u>	<u>-</u>	<u>(90,735.00)</u>	<u>986,018.13</u>
41,892.00		41,892.00						41,892.00
66,503.00		66,503.00						66,503.00
<u>108,395.00</u>	<u>-</u>	<u>108,395.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,395.00</u>
<u>\$ 1,125,983.95</u>	<u>-</u>	<u>\$ 1,094,413.13</u>	<u>-</u>	<u>\$ (103,919.06)</u>	<u>48.89</u>	<u>-</u>	<u>\$ (90,735.00)</u>	<u>\$ 1,094,413.13</u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Woodland School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District'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 federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; therefore, some amounts presented in these schedules 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

There is no adjustment needed to reconcile revenues or expenditures from the budgetary basis to the GAAP basis for the special revenue fund. The net adjustment needed to reconcile revenues and expenditures from the budgetary basis to the GAAP basis for the general fund is (\$701.00) for revenue and there is no adjustment required for the expenditures. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 1,093,157.63	\$ 1,093,157.63
Special Revenue	\$ 93,665.00		93,665.00
Food Service	<u>21,564.38</u>	<u>554.50</u>	<u>22,118.88</u>
Total Awards and Financial Assistance	<u>\$ 115,229.38</u>	<u>\$ 1,093,712.13</u>	<u>\$ 1,208,941.51</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2015, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 6: MAJOR PROGRAMS

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) 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 Section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>

Dollar threshold used to determine Type A programs \$

Auditee qualified as low-risk auditee? yes no

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>14-495-034-5120-089</u>	<u>State Aid Public - Special Education Aid</u>
<u>14-495-034-5120-078</u>	<u>State Aid Public - Equalization Aid</u>
<u>14-495-034-5120-084</u>	<u>State Aid Public - Security Aid</u>
<u>14-495-034-5120-085</u>	<u>State Aid Public - Adjustment Aid</u>
<u>14-495-034-5095-002</u>	<u>State Aid Public - PARCC Readiness</u>
<u>14-495-034-5095-002</u>	<u>State Aid Public - Per Pupil Growth Aid</u>

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? yes X no

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Finding No. 2015-001

Criteria or Specific Requirement

In accordance with New Jersey Division of Pension Guidelines, all eligible employees are required to be enrolled in the pension system and employees' payroll deductions for pension are required to be made on a monthly basis through the "Transmittal Electronic Payment System".

Condition

The majority of the payments to the New Jersey Division of Pensions for employees' payroll deductions of Teacher's Pension and Annuity Fund and Public Employees Retirement System were not made on a timely basis and amounts reported were not in agreement with employee deductions.

Context

Our audit of the payroll revealed the following:

1. New employees are not being enrolled in the pension system timely. Employee pension deductions in the amount of \$5,144.72 were not turned over because employees have not been enrolled in the system.
2. Contributions reported on the quarterly PERS and TPAF reports were not in agreement with the deductions per the payroll reports. Deductions from employee's pay were greater than what was remitted for one employee in the amount of \$148.37, and less was deducted than what was remitted for three employees in the amount of \$3,417.22.
3. Eleven of the twelve payments to the New Jersey Division of Pensions for employees' payroll deductions of Teacher's Pension and Annuity Fund and Public Employees Retirement System were not made on a timely basis.

Effect

The New Jersey Division of Pension Guidelines as well as N.J.S.A 18A:66-90 was not adhered to and the School District may be subject to interest charges. Those employees not enrolled may not receive the proper pension credit.

Cause

The responsible official has had problems with the certification process required to be able to add and delete employees to the state system.

Recommendation

That controls be implemented to ensure the School District complies with all requirements of deducting, remitting, reporting and filing pension information with the State.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (cont'd)

Finding No. 2015-002

Criteria or Specific Requirement

Teacher Pension and Annuity Fund Reimbursements are required to be filed on a bi-weekly basis and the reimbursement to the State of New Jersey for teachers' salaries paid with federal funds (N.J.S.A 18A:66-90) is required to be filed by October 1, of the year subsequent to payment.

Condition

The biweekly Teacher's Pension and Annuity Fund reimbursement requests were not made timely, and the yearly Teacher's Pension and Annuity Fund reimbursement to the State for teachers' salaries paid with federal funds was not filed by October 1.

Context

Our audit of the payroll revealed the following:

1. Fifteen of the twenty-four biweekly Teacher's Pension and Annuity Fund reimbursement requests were not made timely.
2. The yearly Teacher's Pension and Annuity Fund reimbursement to the state was not filed timely for the fiscal year ended June 30, 2015.

Effect

The School District's available cash is negatively impacted by not requesting the biweekly Teacher's Pension and Annuity Fund reimbursements on a timely basis.

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the School District to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the School District for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period required by the Office of Grants Management and also subsequent to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was not in accordance with State law (90 days). The expenditure was also improperly reflected in the current year's Final Report(s) for all federal awards.

Cause

The responsible official has had problems with the certification process required to be able to add and delete employees to the State system.

Recommendation

The School District should adopt internal control procedures designed to ensure that reimbursements to the State are made in a timely fashion and that the yearly Teacher's Pension and Annuity Fund reimbursement to the State be filed timely and remitted to the State within the 60 day grant liquidation period and within the statutory 90 day liquidation period.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (cont'd)

Finding No. 2015-003

Criteria or Specific Requirement

The School District should not provide benefits to terminated employees, unless approved by agreement or by the Board.

Condition

Our audit of employee benefits revealed that terminated employees are not being removed from dental benefits timely.

Context

Six former employees terminated prior to June 30, 2015 were not removed from dental insurance.

Effect

The School District paid \$4,656.96 in premiums for dental insurance coverage that should not have been paid. The School District should investigate and seek reimbursement from the insurance provider.

Cause

The yearly amount to be paid for dental insurance was recorded in the system as a recurring payment. Therefore, when the bill was paid monthly it was paid without reviewing the detail on the bills submitted by the insurance provider.

Recommendation

That additional controls be implemented with respect to the payment of benefits to ensure the School District is paying for all current employees of the School District.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

Not Applicable.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

Finding No. 2015-004

Information on the State Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)

Criteria or Specific Requirement

The Local Public Contracts Law requires that bids are solicited for certain purchases in excess of the bid threshold and that extraordinary unspecifiable service contracts be advertised after award.

Condition

One extraordinary unspecifiable contract was not advertised.

Questioned Costs

None.

Context

The award of one extraordinary unspecifiable service contract that was in excess of the bid threshold was not advertised.

Effect

The School District did not fully comply with the Local Public Contracts Law.

Cause

Oversight of the responsible official.

Recommendation

That control procedures be established to ensure compliance with all facets of the regulations set forth in the Local Public Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2015-005

Information on the State Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Special Education Aid (GMIS No. 495-034-5120-089)
- Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)

Criteria or Specific Requirement

N.J.S.A. 18A:17-10 requires the School District file the Board Secretary's annual report with the county superintendent on or before August 1.

Condition

The Board Secretary's report was not filed with the county superintendent.

Questioned Costs

None.

Context

N/A

Effect

The School District did not fully comply with N.J.S.A. 18A:17-10.

Cause

Oversight by the responsible official.

Recommendation

That the School District implement procedures to ensure compliance with statutory due dates for certain reports the School District is required to file with the State of New Jersey.

View of Responsible Official and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The majority of the payments to the New Jersey Division of Pensions for employees' payroll deductions of Teacher's Pension and Annuity Fund and Public Employees Retirement System were not made on a timely basis and amounts reported were not in agreement with employee deductions. Additionally, the biweekly Teacher's Pension and Annuity Fund reimbursement requests were not made timely, and the yearly Teacher's Pension and Annuity Fund reimbursement to the state for teachers' salaries paid with federal funds was not filed.

Current Status

This condition has not been resolved; see finding number 2015-001.

Finding No. 2014-002

Condition

There were several expenditures that lacked proper approval and authorizing signatures and several expenditures that were incorrectly charged in the budget.

Current Status

This condition has been resolved.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2014-003

Condition

There were several contracts that were not properly awarded nor complied with the State of New Jersey's Pay to Play requirements.

Current Status

This condition has been partially resolved; see finding number 2015-004.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)

Finding No. 2014-004

Condition

The payroll deduction amount for one employee's share of health benefits was improperly calculated.

Current Status

This condition has been resolved.

Finding No. 2014-005

Condition

The Board Secretary's report was not filed with the county superintendent and a travel maximum was not established by resolution for the 2013-14 school year. In addition, the Comprehensive Annual Financial Report (CAFR), Auditor's Management Report on Administrative Findings, Financial, Compliance and Performance (AMR) and the Audit Summary (Audsum) were not filed by the statutory deadline.

Current Status

This condition has been partially resolved; see finding number 2015-005.

