

**SCHOOL DISTRICT
OF
WEEHAWKEN**

Weehawken Board of Education
Hudson County, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Comprehensive Annual

Financial Report

of the

Weehawken Board of Education

For the Fiscal Year Ended June 30, 2016

WEEHAWKEN BOARD OF EDUCATION
Fiscal Year Ended June 30, 2016

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November 11, 2016

Honorable President and
Members of the Board of Education
Weehawken Board of Education
County of Hudson, New Jersey

Dear Board Members and Constituents of Weehawken:

The comprehensive annual financial report of the Weehawken School District (the "District") for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this letter of transmittal, the District's organizational chart, roster of officials and consultants and advisors. The financial section includes under the new Governmental Accounting Standard District Statement No. 34, the Report of Independent Accountants, the Management Discussion and Analysis, the basic financial statements, required supplementary information, the combining and individual fund financial statements, and related notes to the financial statements. 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards ("Uniform Guidance")*, and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's reports covering compliance with applicable laws, regulations and requirements, and internal control over compliance and financial reporting, as well as a schedule of related findings, are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES: The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The District and all its schools constitute the Board’s reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped youngsters. The District also provides preschool educational services. The District completed the 2015-2016 fiscal year with an enrollment of 1,371 students, which are 43 more students than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	1,371	3.24%
2015-2015	1,328	1.50%
2013-2015	1,309	4.05%
2012-2013	1,258	1.50%
2011-2012	1,239	(0.72%)

2.) ECONOMIC CONDITION AND OUTLOOK: The Township of Weehawken area is experiencing a period of economic stability. Its proximity to employment centers in New York City and northern New Jersey contribute towards maintaining a stable outlook.

3.) MAJOR INITIATIVES: During the 2015-2016 school year, Weehawken School District implemented many initiatives in order to increase student achievement and improve the district’s culture and climate. These programs include: Chromebooks for Preschool to 12th grade teachers and 7th-12th grade students; expansion of World Language program in Preschool to 6th grade; new textbooks and online resources for English Language Learner Department; new Science Technology Engineering and Mathematics (STEAM) program at the high school; new theater arts program at the high school; new Journeys Basal Reading Series for grades K-6; and the Applitrack recruiting system.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal awards 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 Township of Weehawken. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements, accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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

7.) **DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues included \$9,765,000 of general obligation bonds, obligations under capital leases of \$102,616 and compensated absences payable of \$250,574.

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

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


10.) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Garbarini & Co. P.C., CPAs, RMAs, PSAs, was selected by the District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (“*Uniform Guidance*”), and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the general - purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

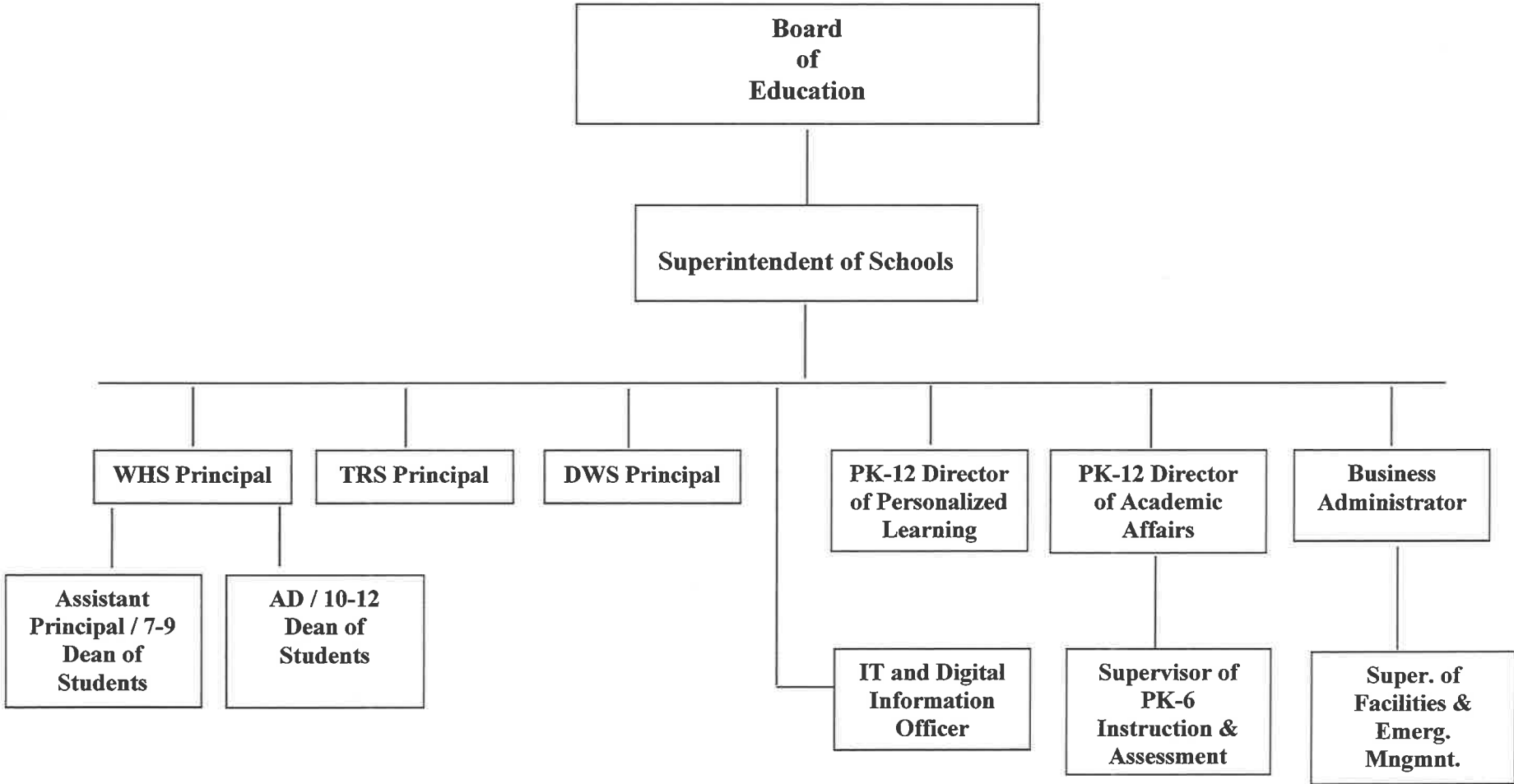
11.) ACKNOWLEDGMENT: We would like to express our appreciation to the members of the Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,


Dr. Robert R. Zywicki
Superintendent


Hwey-Hwey “Vicky” Guo
Board Secretary/
Business Administrator

**WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ORGANIZATIONAL CHART
JUNE 30, 2016**



**WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2016**

Members of the Board of Education

Term Expires

Richard Barsa, President	2018
John Cannata- Vice President	2017
Mark Denfeld	2017
Susan Morales Jennings	2019
Gabrielle Jonas	2018
Francis Pizzuta	2019
Julian Brian Mera	2019
Joseph Rutigliano	2018
Noelberto Sanchez	2017

Other Officials

Dr. Robert R. Zywicki	Superintendent-Hired 02/01/16
Dr. John T. Fitzsimons	Interim Superintendent- 06/01/15- 01/31/16
Hwey-Hwey "Vicky" Guo	Board Secretary/Business Administrator
Lisa Toscano	Treasurer of School Moneys
Ryglicki, Jimenez & Gillman, P.C.	Attorney

WEEHAWKEN BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Garbarini & Co. P.C. CPAs
Registered Municipal Accountants
Public School Accountants
285 Division Avenue & Route #17 South
Carlstadt, New Jersey 07072

Attorney

Ryglicki, Jimenez & Gillman, P.C.
9060 Palisade Avenue, Suite C6
North Bergen, New Jersey 07047

Official Depository

New Jersey Cash Management Fund
Harborside Financial Center
Plaza Two
Jersey City, New Jersey 07311-3977

Capital One Bank
4714 Park Avenue
Weehawken, New Jersey 07086

And

TD Bank
4200 Park Avenue
Weehawken, New Jersey 07086

FINANCIAL SECTION

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements (the "financial statements") as listed in the table of contents.

Management's Responsibility for 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 audit requirements as prescribed by the Division of Finance, Department of Education, and 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 62 through 66 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 inquires 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 as listed in the table of contents. The accompanying supplementary (schedules/statements/information) and schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, ("Uniform Guidance") and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are presented for the purpose of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, in accordance with the accounting principles generally accepted in the United States of America.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the 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 November 11, 2016 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 2415



Garbarini & Co. P.C. CPAs

Carlstadt, New Jersey
November 11, 2016

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The discussion and analysis of the Weehawken School District's (the "District") financial performance provides an overall review of the Weehawken Board of Education's (the "Board") financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- In total, net position is \$(2,284,226). Net position of governmental activities is \$(3,003,803), a decrease of \$(663,353), compared to fiscal year 2015. Net position of the business-type activity, which represents food service, and Latchkey Program, are \$719,577.
- Governmental Funds Revenues total \$26,547,829 and the Local Tax Levy is \$19,315,495. State Revenue is \$5,884,797 and the Federal Revenue is \$898,308.
- The District has experienced a slight increase in student enrollment. Actual enrollment for the year ended June 30, 2016 was 1,380, which reflects a 3.92% increase from the previous year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. This report is organized to show the reader the District as a financial whole, or an entire operating entity.

The statement of net position and statement of changes in net position provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. For the District, the General Fund is the most significant fund.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Reporting the Weehawken School District as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole look at all financial transactions and asks the question, "How did we do financially during the fiscal year 2016?" The statement of net position and liabilities uses the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in New Jersey, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of changes in net position, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activity - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service enterprise fund and the Latchkey Program are reported as a business activity.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Reporting the Weehawken District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Project Fund.

Governmental Fund

Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of changes in net position and the governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, their statements are essentially the same.

The Weehawken School District as a Whole

The perspective of the statement of net position is of the District as a whole. Table 1 provides a summary of the District's net position for 2016 with comparative totals for 2015 and 2014.

Required Supplementary Information

Part I

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total assets equal \$13,958,800. Total assets for Governmental Activities is \$13,097,385. Total assets for Business Type Activities is \$861,415.

Table 1
Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets:					
Current and other assets	\$ 3,296,012	\$ 827,420	\$ 4,123,432	\$ 4,430,120	\$ 5,531,660
Capital assets, net	9,801,373	33,995	9,835,368	10,551,567	11,302,948
Total assets	\$ 13,097,385	\$ 861,415	\$ 13,958,800	\$14,981,687.00	\$ 16,834,608
Deferred outflow of resources					
Pension deferred outflows	1,523,620		1,523,620	843,327	
Liabilities:					
Current and other liabilities	\$ 8,371,696	\$ 141,838	\$ 8,513,534	\$ 7,166,883	\$ 6,618,338
Long-term liabilities	9,158,379	-	9,158,379	9,962,558	11,590,693
Total liabilities	\$ 17,530,075	\$ 141,838	\$ 17,671,913	\$ 17,129,441	\$ 18,209,031
Deferred inflows of resources					
Pension deferred inflows	94,733		94,733	283,758	
Net position:					
Invested in capital assets -					
Net of related debt	\$ 833,757	\$ 33,995	\$ 867,752	\$ 911,939	\$ 1,145,588
Restricted	1,569,634	-	1,569,634	1,992,889	2,163,747
Unrestricted	(5,407,194)	685,582	(4,721,612)	(4,493,023)	(4,683,758)
Total net position	\$ (3,003,803)	\$ 719,577	\$ (2,284,226)	\$ (1,588,185)	\$ (1,374,423)

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Table 2 reflects the change in net position for fiscal year 2016 with comparative data for 2015 and 2014.

	2016	2015	2014	2013
Adjustments: capital leases	67,012		67,012	(12,268)
Adjustments: bond refinance proceeds			-	98,000
Miscellaneous	388,063		388,063	271,414
Total general revenues	19,757,425	-	19,757,425	19,118,850
TOTAL REVENUES	29,363,563	668,288	30,031,851	25,749,859
Functional/program expenses:				
Instruction	16,207,903		16,207,903	14,935,950
Support services:			-	
Pupil and instructional staff	6,213,522		6,213,522	5,572,121
Bd. of ed., admin. and fiscal	3,178,230		3,178,230	2,624,880
Operation and maintenance of plant	2,288,342		2,288,342	2,264,706
Pupil transportation	1,473,370		1,473,370	1,331,296
Unallocated depreciation	77,949		77,949	99,982
Interest on long-term debt	415,378		415,378	417,270
Capital outlay - not capitalized	30,709		30,709	36,309
Charter Schools	141,643		141,643	101,212
Food service		446,942	446,942	405,194
Latchkey program		254,034	254,034	94,263
TOTAL EXPENSES	30,027,046	700,976	30,728,022	25,900,947
Excess/(deficiency) before special items and transfers	(663,483)	(32,688)	(696,171)	(151,088)
Special items:				
Prior Period Adjustment	-			(4,077,914)
Transfers	130		130	8,372
Increase/(decrease) in net position	(663,353)	(32,688)	(696,041)	(4,220,630)
Net position - beginning of the year	(2,340,450)	752,265	(1,588,185)	2,846,207
Net position - end of the year	\$ (3,003,803)	\$ 719,577	\$ (2,284,226)	\$ (1,374,423)

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The total decrease in Net Position for Governmental Activities is \$(663,353). The total decrease in Net Position for Business Type Activities is \$(32,688) The net decrease in Net Position is \$(696,041).

Governmental Activities

The statement of activities reflects the cost of the program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3a, for Governmental Activities, indicates the total cost of services and the percentage cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

Table 3a
Governmental Activities

	Total Cost of Services 2015-2016	Percent of Total
Instruction	\$ 16,207,903	53.98%
Support services:		
Pupil and instructional staff	6,213,522	20.69%
Administrative and fiscal	3,178,230	10.58%
Operation and maintenance of plant	2,288,342	7.62%
Pupil transportation	1,473,370	4.91%
Unallocated depreciation	77,949	0.26%
Capital outlay	30,709	0.10%
Interest on long-term debt	415,378	1.38%
Charter Schools	141,643	0.47%
 Total expenses	 \$ 30,027,046	 100.00%

The Governmental Activities in the above chart demonstrate that \$16,207,903 are allocated to School Based Budgets and are identified as instruction. Additionally, pupil and instructional staff activities are \$6,213,522 The combined resources from instruction and pupil and instructional staff total \$22,421,425.

Together the aforementioned categories account for 75% of the Governmental Activities.

Pupil transportation costs reflect the cost for salaries, overtime, maintenance of fleet and contracted transportation services. The District is a participant of the North Hudson Transportation Consortium with the Hudson County School of Technology.

To date District has not been adversely impacted by Charter Schools. Currently, the contribution to Charter Schools by the District is \$141,643. The District sends a total of 7 students to four Charter Schools.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Business-Type Activity

	<u>Total Cost of Services 2015-2016</u>	<u>Percent of Total</u>
Revenue		
Charges for services	\$ 374,086	55.98%
Operating grants	<u>294,202</u>	<u>44.02%</u>
Total revenue	<u>668,288</u>	
Transfers/ Other		0.00%
Total revenue and transfers	<u><u>668,288</u></u>	<u><u>100.00%</u></u>
 Function/program expenses		
Food service	446,942	63.76%
Latchkey program	<u>254,034</u>	<u>36.24%</u>
Total expenses	<u><u>700,976</u></u>	<u><u>100.00%</u></u>
 Increase in net position	 <u><u>\$ (32,688)</u></u>	

The business-type activities of the District are the food service operation and Latchkey Program. These programs had revenues and transfers of \$668,288 and expenses of \$700,976 in fiscal year 2016. The District suggests that efforts continue to increase sales and reduce costs. The District and school administrators are committed and have concentrated efforts to ensure that all students who are eligible for free/reduced lunch submit the proper forms for eligibility in a timely manner.

The District continues to examine the food service operation in effort to be self-operating without assistance from the General Fund. The business activity receives limited support from tax revenues.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Sources of Revenue

The local tax revenue has been relatively stable for several years. The dependence upon state revenue for governmental activities is apparent. For all governmental activities, state revenues support over 22%. The community, as a whole, is 74% of the support and Federal revenue accounts for 4% of the total cost of programs for District students.

Table 4
Sources of Revenue

Fiscal Year Ended June 30	Local Tax Levy	Other Local Revenue	State Revenue	Federal Revenue	Total
2016	\$ 19,315,495	\$ 449,229	\$ 5,884,797	\$ 898,308	\$ 26,547,829

The total revenue from all sources is \$26,547,829.

The Weehawken School District's Funds

The District's governmental funds are accounted for using standards established by the Governmental Accounting Standard Board Memo No. 34. Total governmental funds had revenues and other financing sources of \$26,547,829 and expenditures and other financing uses of \$27,036,666. The positive fund balance for the year-end reflects what District was able to meet current costs.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law. Instruction, Early Childhood Program and District Central Office account for the majority of programs budgeted within the General Fund.

The District's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is General Fund.

For the General and Special Revenue Fund, final actual revenues and other financing sources, in the amount of \$25,490,909 were above original budgeted revenues and other financing sources. This was due to conservative federal aid estimates and tuition revenue.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

General Fund Budgeting Highlights (Continued)

General Fund revenues and other financing sources were less than expenditures and other financing uses. This was partly due to the utilization of surplus as a budgeted revenue in the amount of \$847,342.

For the 2015-2016 District School Budget, \$916,215 of surplus was designated for subsequent years' expenditures. The allocation and projection of allocation of surplus are in compliance with New Jersey Department of Education Budgetary Guidelines.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the District had \$9,801,373 invested in capital assets, for governmental activities, representing a net decrease of \$714,956 compared to the prior year. This was attributable to depreciation expense which caused a decrease of \$ 982,285 and the increase was mainly due to the fixed asset additions in the amount of \$267,329. More detailed information about the District's capital assets and depreciation is presented in Note 3 to the financial statements.

Debt

At June 30, 2016, the District's outstanding debt issues included \$9,765,000 of general obligation bonds, obligations under capital leases of \$102,616 and compensated absences payable (presented in Note 7) of \$250,574. More detailed information about the District's long-term liabilities is presented in Note 4 of the financial statements.

Current Issues

The District has been able to provide a quality education for the students in our community while adhering to financial guidelines that exhibit a strong fiscal philosophy. We are currently faced with the dilemma of increased academic requirements and decreases in state aid. Approximately seventy-four percent of our school budget is funded by local taxes, which during tough economic times makes it difficult to increase educational programs.

As always we will continue to meet the core curriculum content standards and help our children reach their maximum potential.

Contacting the Weehawken School District's Financial Management

The Management Discussion and Analysis of this financial report is designed to provide citizens, taxpayers and investors with a snapshot of the District's finances. Also, to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Dr. Robert R. Zywicki, Superintendent of Schools, Weehawken Board of Education, 53 Liberty Place, Weehawken, NJ 07086.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
DISTRICT-WIDE FINANCIAL STATEMENTS
AT JUNE 30, 2016**

Exhibit A-1

STATEMENT OF NET POSITION

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,432,947	\$ 771,028	\$ 3,203,975
Receivables, net	680,809	51,302	732,111
Inventory		5,090	5,090
Restricted assets:			
Cash and cash equivalents	182,256		182,256
Capital assets: land	602,575		602,575
Capital assets: building & impr., machinery & equipment (net)	9,198,798	33,995	9,232,793
	<u>13,097,385</u>	<u>861,415</u>	<u>13,958,800</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>1,523,620</u>		<u>1,523,620</u>
LIABILITIES			
Accounts payable	1,438,848	141,838	1,580,686
Net Pension Liability (Note 7)	5,892,087		
Deferred revenue	80,950		80,950
Noncurrent liabilities :			
Due within one year	959,811		959,811
Due beyond one year	9,158,379		9,158,379
	<u>17,530,075</u>	<u>141,838</u>	<u>11,779,826</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>94,733</u>		<u>94,733</u>
NET POSITION			
Invested in capital assets, net of related debt	833,757	33,995	867,752
Restricted for:			
Debt service	142		142
Capital projects	90,180		90,180
Other purposes	1,479,312		1,479,312
Unrestricted	<u>(5,407,194)</u>	<u>685,582</u>	<u>(4,721,612)</u>
	<u>\$ (3,003,803)</u>	<u>\$ 719,577</u>	<u>\$ (2,284,226)</u>

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
DISTRICT-WIDE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit A-2

STATEMENT OF CHANGES IN NET POSITION

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 13,231,090	\$ -	\$ 4,679,377	\$ -	\$ (8,551,713)	\$ -	\$ (8,551,713)
Special education	1,841,535		446,092		(1,395,443)		(1,395,443)
Other special instruction	323,777		78,880		(244,897)		(244,897)
Other instruction	811,501		217,489		(594,012)		(594,012)
Support services:							
Tuition	3,121,199	77,036	1,345,110		(1,699,053)		(1,699,053)
Student & instruction related services	3,092,323		867,240		(2,225,083)		(2,225,083)
School administrative services	1,342,902		263,893		(1,079,009)		(1,079,009)
General and business administrative services	1,230,758		417,022		(813,736)		(813,736)
Central services	604,570		147,238		(457,332)		(457,332)
Plant operations and maintenance	2,288,342		689,180		(1,599,162)		(1,599,162)
Pupil transportation	1,473,370		150,390		(1,322,980)		(1,322,980)
Charter schools	141,643		61,042		(80,601)		(80,601)
Interest on long-term debt	415,378		166,149		(249,229)		(249,229)
Capital outlay - not capitalized	30,709				(30,709)		(30,709)
Unallocated depreciation	77,949				(77,949)		(77,949)
Total governmental activities	30,027,046	77,036	9,529,102	-	(20,420,908)	-	(20,420,908)
Business-type activities:							
Food service	446,942	120,635	294,202			(32,105)	(32,105)
Latchkey program	254,034	253,451				(583)	(583)
Total business-type activities	700,976	374,086	294,202	-		(32,688)	(32,688)
Total primary government	\$ 30,728,022	\$ 451,122	\$ 9,823,304	\$ -	\$ (20,420,908)	\$ (32,688)	\$ (20,453,596)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 18,422,272	\$ -	\$ 18,422,272
Taxes levied for debt service					893,223		893,223
Federal and State aid Budget vs. GAAP					(10,091)		(10,091)
Miscellaneous Income					372,063		372,063
Adjustment : Capital Leases Proceeds/Net of Payments					67,012		67,012
Adjustment : Fixed Asset Retirements /Adjustments					(3,054)		(3,054)
Miscellaneous Adjustment					16,000		16,000
Transfers					130		130
Total general revenues, special items, extraordinary items and transfers					19,757,555	-	19,757,555
Change in Net Position					(663,353)	(32,688)	(696,041)
Net Position—beginning					(2,340,450)	752,265	(1,588,185)
Net Position—ending					\$ (3,003,803)	\$ 719,577	\$ (2,284,226)

See independent auditor's report and notes to the financial statements

FUND FINANCIAL STATEMENTS

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
AT JUNE 30, 2016

Exhibit B-1

BALANCE SHEET

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,066,215	\$ 91,936	\$ 90,298	\$ 24	\$ 2,248,473
Investments	366,730				366,730
Due from other funds	342,067			118	342,185
Receivables from other governments	236,411	321,421			557,832
TOTAL ASSETS	\$ 3,011,423	\$ 413,357	\$ 90,298	\$ 142	\$ 3,515,220
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,269,372	\$ 169,476	\$ -	\$ -	\$ 1,438,848
Interfund payable		219,090	118		219,208
Deferred revenue		80,950			80,950
Total liabilities	1,269,372	469,516	118	-	1,739,006
Fund balances:					
Restricted fund balance:					
Reserved excess surplus- designated for subsequent year's expenditures	768,005				768,005
Reserve for excess surplus	468,679				468,679
Committed fund balance:					
Year-end encumbrances	93,080				93,080
Assigned fund balance:					
Designated for subsequent year's expenditures	148,210			12	148,222
Unassigned fund balance reported in:					
General fund	264,077				264,077
Special revenue fund		(56,159)			(56,159)
Debt service fund				130	130
Capital projects fund			90,180		90,180
Total fund balance	1,742,051	(56,159)	90,180	142	1,776,214
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,011,423	\$ 413,357	\$ 90,298	\$ 142	\$ 3,515,220

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 not reported in the funds. The cost of the assets is \$24,167,590 and the accumulated depreciation is \$14,366,217 (See Note 4)	9,801,373
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in fund financial statements. (See Note 7)	1,523,620
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund financial statements (See Note 7)	(94,733)
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:	
Net Pension Liability	(5,892,087)
Bonds Payable	(9,765,000)
Capital Lease Payable	(102,616)
Compensated Absences Payable	(250,574)
Net position of governmental activities	\$ (3,003,803)

**WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	\$ 18,422,272	\$ -	\$ -	\$ 893,223	\$ 19,315,495
Tuition charges	77,036				77,036
Miscellaneous	372,063				372,063
Total - local sources	<u>18,871,371</u>	<u>-</u>	<u>-</u>	<u>893,223</u>	<u>19,764,594</u>
State sources	5,116,829	601,819		166,149	5,884,797
Federal sources	41,648	856,660			898,308
TOTAL REVENUE	<u>24,029,848</u>	<u>1,458,479</u>	<u>-</u>	<u>1,059,372</u>	<u>26,547,699</u>
EXPENDITURES					
Instruction:					
Regular instruction	6,864,663	1,200,865	-	-	8,065,528
Special education instruction	1,035,115				1,035,115
Other special instruction	183,033				183,033
Other instruction	504,662				504,662
Community service programs	-				-
Support services:					
Tuition	3,121,199				3,121,199
Student & instruction related services	1,784,837	70,998			1,855,835
School administrative services	612,339				612,339
Other administrative services	967,661				967,661
Central services	341,651				341,651
Plant operations and maintenance	1,599,178				1,599,178
Pupil transportation	1,189,620				1,189,620
Employee benefits	5,812,779	169,953			5,982,732
Transfer to charter school	141,643				141,643
Debt service:					
Principal				720,000	720,000
Interest and other charges				415,378	415,378
Capital outlay	284,910	14,932	1,250		301,092
TOTAL EXPENDITURES	<u>24,443,290</u>	<u>1,456,748</u>	<u>1,250</u>	<u>1,135,378</u>	<u>27,036,666</u>
Excess (Deficiency) of revenues over expenditures	<u>(413,442)</u>	<u>1,731</u>	<u>(1,250)</u>	<u>(76,006)</u>	<u>(488,967)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	130	130
Transfers out	-	-	-		-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>130</u>
Net change in fund balances	(413,442)	1,731	(1,250)	(75,876)	(488,837)
Fund balance—July 1	<u>2,155,493</u>	<u>(57,890)</u>	<u>91,430</u>	<u>76,018</u>	<u>2,265,051</u>
Fund balance—June 30	<u>\$ 1,742,051</u>	<u>\$ (56,159)</u>	<u>\$ 90,180</u>	<u>\$ 142</u>	<u>\$ 1,776,214</u>

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit B-3

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

Total net change in fund balances - governmental funds (from B-2) \$ (488,837)

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 depreciation exceeded capital outlays in the period.

Depreciation expense	\$	(982,285)	
State of NJ payment of debt service charged to capital outlay		(30,709)	
Adjustments to Fixed Assets -donated equipment/retirements		(3,054)	
Capital outlay		301,092	(714,956)

Pension contributions are reported in governmental funds as expenditures. However, in the statement
of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest
costs, administrative costs, investment returns, and experience/assumption. This is the amount by which
net pension liability and deferred inflows/outflows related to pension changed during the period

(261,288)

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

Repayment of bond principal		720,000	
Repayment of capital leases		67,012	787,012

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 a reduction in the reconciliation's (-); when the
paid amount exceeds the earned amount the difference is an additional to the reconciliation (+).

Compensated absences earned/(retired)		14,716	
---------------------------------------	--	--------	--

Change in net position of governmental activities \$ (663,353)

**WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 AT JUNE 30, 2016**

Exhibit B-4

STATEMENT OF NET POSITION

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 90,611	\$ 680,417	\$ 771,028
Accounts receivable	51,302	-	51,302
Inventories	5,090	-	5,090
Total current assets	<u>147,003</u>	<u>680,417</u>	<u>827,420</u>
Noncurrent assets:			
Furniture, machinery & equipment	93,603	-	93,603
Less accumulated depreciation	(59,608)	-	(59,608)
Total noncurrent assets	<u>33,995</u>	<u>-</u>	<u>33,995</u>
TOTAL ASSETS	<u><u>\$ 180,998</u></u>	<u><u>\$ 680,417</u></u>	<u><u>\$ 861,415</u></u>
LIABILITIES AND NET POSITION			
Liabilities:			
Due to payroll account	\$ 3,958	-	\$ 3,958
Due to general fund		100,000	100,000
Accounts payable	37,117	763	37,880
Total liabilities	<u>41,075</u>	<u>100,763</u>	<u>141,838</u>
Net position:			
Invested in capital assets net of related debt	33,995		33,995
Unrestricted	105,928	579,654	685,582
Total net position	<u>139,923</u>	<u>579,654</u>	<u>719,577</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 180,998</u></u>	<u><u>\$ 680,417</u></u>	<u><u>\$ 861,415</u></u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 120,635		\$ 120,635
Community service activities		253,451	253,451
Total operating revenues	<u>120,635</u>	<u>253,451</u>	<u>374,086</u>
Operating expenses:			
Cost of sales	187,470		187,470
Salaries	109,225	136,606	245,831
Payroll taxes/benefits	35,223		35,223
Repairs and maintenance	30,163		30,163
Administrative fees	37,765		37,765
Facility fees	-	100,000	100,000
General supplies	41,223	17,428	58,651
Depreciation	5,873		5,873
Total operating expenses	<u>446,942</u>	<u>254,034</u>	<u>700,976</u>
Operating income (loss)	<u>(326,307)</u>	<u>(583)</u>	<u>(326,890)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,855		5,855
Federal sources:			
National school lunch program	256,571		256,571
Food distribution program	31,776		31,776
Net adjustment to fixed assets resulting from fixed assets inventory			-
Total non-operating revenues (expenses)	<u>294,202</u>	<u>-</u>	<u>294,202</u>
Change in net position	(32,105)	(583)	(32,688)
Total net position—beginning	<u>172,028</u>	<u>580,237</u>	<u>752,265</u>
Total net position—ending	<u>\$ 139,923</u>	<u>\$ 579,654</u>	<u>\$ 719,577</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit B-6

STATEMENT OF CASH FLOWS

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
Cash flows from operating activities:			
Receipts from customers	\$ 118,540	\$ 253,451	\$ 371,991
(Payments) to employees	(106,439)	(136,606)	(243,045)
(Payments) for payroll taxes/employee benefits	(38,009)		(38,009)
(Payments) to suppliers	(251,254)	(16,665)	(267,919)
Net cash provided by (used for) operating activities	(277,162)	100,180	(176,982)
Cash flows from investing activities:			
Purchases of equipment	(4,630)	-	(4,630)
Net cash provided by (used for) investing activities	(4,630)	-	(4,630)
Cash flows from noncapital financing activities:			
State Sources	5,173		5,173
Federal Sources	226,176		226,176
Net cash provided by (used for) non-capital financing activities	231,349	-	231,349
Net increase (decrease) in cash and cash equivalents	(50,443)	100,180	49,737
Balances—beginning of year	141,054	580,237	721,291
Balances—end of year	\$ 90,611	\$ 680,417	\$ 771,028
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (326,307)	\$ (583)	\$ (326,890)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,873		5,873
Food distribution program	31,776		31,776
(Increase) decrease in accounts receivable, net	(2,097)		(2,097)
(Increase) decrease in inventories	1,616		1,616
Increase (decrease) in current liabilities	11,977	100,763	112,740
Total adjustments	49,145	100,763	149,908
Net cash provided by (used for) operating activities	\$ (277,162)	\$ 100,180	\$ (176,982)

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
AT JUNE 30, 2016**

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION

	<u>Expendable Trust Funds</u>	<u>Nonexpendable Trust</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 7,112	\$ 1,000	\$ 69,296
Due from food service fund	-		3,958
	<u>7,112</u>	<u>1,000</u>	<u>73,254</u>
TOTAL ASSETS	<u>\$ 7,112</u>	<u>\$ 1,000</u>	<u>\$ 73,254</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Interfund payable - general fund	-	-	22,977
Payable to student groups	-	-	42,867
Payroll deductions and withholdings	-	-	7,410
	<u>-</u>	<u>-</u>	<u>73,254</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>73,254</u>
Net Position:			
Held in trust for other purposes	7,112		
Reserved for scholarships		1,000	
	<u>7,112</u>	<u>1,000</u>	<u>-</u>
TOTAL NET POSITION	<u>7,112</u>	<u>1,000</u>	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 7,112</u>	<u>\$ 1,000</u>	<u>\$ 73,254</u>

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit B-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>Expendable Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Investment earnings:		
Interest	\$ 20	\$ -
Net investment earnings	<u>20</u>	<u>-</u>
TOTAL ADDITIONS	<u>20</u>	<u>-</u>
DEDUCTIONS		
Transfer to student activity fund	1,000	-
TOTAL DEDUCTIONS	<u>1,000</u>	<u>-</u>
Change in net position	(980)	-
Net position—beginning of the year	<u>8,092</u>	<u>1,000</u>
Net position—end of the year	<u>\$ 7,112</u>	<u>\$ 1,000</u>

See independent auditor's report and notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Weehawken School District (the “District”) is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the District functions independently through the Weehawken Board of Education (the “Board”). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2016 of 1,380 students.

Governmental Accounting Standard Board (GASB) Statement 14 establishes criteria to be used to determine which component units should be included in the General Purpose Financial Statements of the oversight entity. The primary criterion for including activities within the District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The Board holds the corporate powers of the organization
- The Board appoints a voting majority of the organization’s board
- The Board is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Board
- There is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Accounting Standards

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The District does not expect this Statement to impact its financial statements.

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Accounting Standards (Continued)

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, is effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a government financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62 Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending June 30, 2015. The objective if this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

C. Basic Financial Statements – District-Wide Statements

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the District-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general operating services, special revenue, capital projects, debt service and non-expendable trust funds are classified as governmental activities. The District's Food Service and Latchkey Program are classified as business-type activities.

The Statement of Net Position and Statement of Changes in Net Position display information about the reporting district as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements – District-Wide Statements (Continued)

The district-wide Statement of Changes in Net Position reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property and certain intergovernmental revenues). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, taxes, intergovernmental revenues, interest income, etc.)

The District does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.)

The district-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D. Fund Financial Statements

The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *government*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) requires New Jersey Districts to treat each governmental fund as a major fund in accordance with GASB No. 34. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary, as follows:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued):

Governmental Funds (Continued)

General Fund (Continued):

As required by the NJDOE, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities, states that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government (other than major capital project, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The GAAP applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District:

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

The District's Enterprise Fund is comprised of the Food Service Fund and the Extended Care Latchkey Program.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Proprietary Fund (Continued)

Internal Service Funds: Internal service funds are used to account for the financing of goods or services provided by an activity to other departments or funds on a cost-reimbursement basis. The district does not have internal service funds.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported net position (net total position) is segregated into invested capital assets, net of related debt, restricted for capital projects or unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives for the Food Service Fund fixed assets are: electronic equipment - 10 years, light furniture - 15 years, and heavy furniture - 20 years.

Fiduciary Funds

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Louis Ferullo Scholarship Fund.

Non-expendable Trust Fund: A Non-Expendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a McGowan Award Scholarship Fund as a Nonexpendable Trust Fund.

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

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Fiduciary Fund (Continued)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District considers all governmental and business-type activities to be major.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and expendable trust). Since by definition these assets are being held for the benefit of a third party (other local governments, students, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the district-wide statements.

E. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the district-wide Statement of Net Position and the Statement of Changes in Net Position, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds and expendable trust funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

The financial statements of the District have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In the district-wide Statement of Net Position and Statement of Changes in Net Position, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds, expendable trust funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after the year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual, and under New Jersey Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be "accounts receivable".

All proprietary funds and non-expendable trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

F. Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and GAAP 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 as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets / Budgetary Control (Continued)

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

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund are reported as reservation of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

H. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity date of three months or less at the time of purchase and are stated at cost plus accrued interest. 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.

I. Tuition Receivable

Tuition charges for the fiscal year 2015-2016 were established by the Board based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors that will benefit periods beyond June 30, 2016. The District did not have any prepaid expenses at June 30, 2016.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Short-Term Interfund Receivables/Payables

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

For the purpose of the Statement of Changes in Net Position, all interfund transfers between individual funds have been eliminated.

M. General Fixed Assets

The District established a formal system of accounting for its general fixed assets. General fixed assets acquired or constructed subsequent to June 30, 1991 are recorded at original cost. General fixed assets acquired or constructed prior to the establishment of the formal system are evaluated at cost based on historical records or estimation procedures performed by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-Wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2002.

District-Wide Statements (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	50 years
Improvements	20 years
Machinery and Equipment	5-10 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

In accordance with GAAP, the District accounts for compensated absences (e.g., unused vacation, sick leave). 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 right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued sick leave up to \$7,000. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

O. Deferred Revenue

Deferred revenue in the General Fund represents unspent special revenue state grants, which are unspent from prior years. Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

P. Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be paid from governmental and business-type resources is reported as liabilities in the district-wide statement. The long-term debt consists primarily of bonds, loans accrued, compensated absences, early retirement incentives and obligations under capital lease.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary funds is the same in the fund statements as it is in the district-wide statements.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Equity Classifications

District-Wide Statements

Equity is classified as net position and displayed in three components:

- a)
- b) *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- c) *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- d) *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. Proprietary fund equity is classified the same as in the district-wide statements.

R. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

S. Operating and Nonoperating Revenue

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, noncapital financing, or investing activities. Nonoperating revenues include reimbursements by the State for school breakfast, lunch and food distribution programs.

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Expenditures/Expenses

In the district-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund – By Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

U. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of June 30, 2016, the District’s deposits and investments are summarized as follows:

Reconciliation to District-Wide statement of net position:

Unrestricted cash	\$ 3,203,975
Restricted cash	182,256
Trust and Agency Fund cash (not included in District-Wide statements)	77,408
	\$ 3,463,639

The District maintains its cash balances reflected in the balance sheets in three different financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 in each financial institution. The remaining cash bank balance is covered by the State of New Jersey, Governmental Unit Deposit Act. All investments are available on demand.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to maximize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. Securities in the Fund are insured, registered or held by the Division or its agent in the Fund’s name.

As of June 30, 2016, the District had \$366,730 on deposit with the New Jersey Cash Management Fund.

As of June 30, 2016, the District implemented disclosure requirements of GASB No. 40 *Deposits and Investment Risk Disclosures* and, accordingly, the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Cash Equivalents and Investments.

- (a) *Custodial Credit Risk* - The District deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, collateralized with securities held by the financial institution’s trust department or agent but not in the depository government’s name. The deposit risk is that, in the event of the failure of the financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the District and are held by either: the counterparty or the counterparty’s trust department or agent but not in the District’s name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk (cont)-As of June 30, 2016, the District's bank balance was not exposed to custodial credit risk since the full amount was covered by either FDIC insurance or GUDPA. The New Jersey Cash Management Fund which is administered by the State of New Jersey Department of the Treasury invests pooled monies from various State and non-State agencies in primarily short-term investments. The investments include: US Treasuries, Short-Term Commercial Paper, US Government Agency Bonds, Corporate Bonds, and Certificated of Deposits. Agencies that are part of the Fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The District does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

As of June 30, 2016, there were no investments in the District's portfolio. The District does not have a formal policy for investment securities custodial risk other than to maintain a safekeeping account for the securities at a financial institution.

- (b) *Concentration of Credit Risk* - This is the risk associated with the amount of investments the District has with any one issuer that exceed 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments were excluded from this requirement. The District places no limit on the amount it may invest in any one issuer. As of June 30, 2016, the District was not exposed to a concentration of credit risk.
- (c) *Credit Risk* - GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the District does not have an investment policy regarding Credit Risk except to the extent previously outlined under the District's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) *Interest Rate Risk* - This is the risk that changes in the interest rates will adversely affect the fair value of investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the District does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investments would provide higher yields that lower the cost and risk.

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3. CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated. Capital outlay of \$301,092 (Exhibit B-2) reconciles to additions in the fixed assets schedule of \$267,329, except for (\$30,709) which was debt service aid withheld from the District's State aid payments. Asset deletions and adjustments net \$3,054.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: building - 50 years, improvements - 20 years, equipment 5 to 10 years. Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Adjustment/ Disposals	Balance June 30, 2016
Governmental activities:				
Land	\$ 602,575	\$ -	\$ -	\$ 602,575
Buildings & building improvements	21,652,275	16,182		21,668,457
Machinery & equipment	1,645,411	251,147		1,896,558
Totals at historic cost	<u>23,900,261</u>	<u>267,329</u>	<u>-</u>	<u>24,167,590</u>
Less accumulated depreciation				
Buildings & building improvements	(12,613,096)	(859,961)		(13,473,057)
Machinery & equipment	(770,836)	(122,324)		(893,160)
Total accumulated depreciation	<u>(13,383,932)</u>	<u>(982,285)</u>	<u>-</u>	<u>(14,366,217)</u>
Governmental activities capital Assets, net	<u>\$ 10,516,329</u>	<u>\$ (714,956)</u>	<u>\$ -</u>	<u>\$ 9,801,373</u>
Business-type activities:				
Machinery & equipment	\$ 88,973	\$ 4,630		\$ 93,603
Totals at historic cost	<u>88,973</u>	<u>4,630</u>	<u>-</u>	<u>93,603</u>
Less accumulated depreciation				
Machinery & equipment	(53,735)	(5,873)		(59,608)
Business-type activities capital Assets, net	<u>\$ 35,238</u>	<u>\$ (1,243)</u>	<u>\$ -</u>	<u>\$ 33,995</u>

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3. CAPITAL ASSETS AND DEPRECIATION (Continued)

** Depreciation expense was charged to Governmental Activities as follows:

Instruction:	
Regular	\$ 425,625
Special education	-
Other instruction	-
Total instruction	<u>425,625</u>
Support services:	
Student & instructional related services	185,136
School administrative services	8,978
General & business administrative services	99,454
Operation & maintenance of plant	141,187
Student transportation	43,956
Unallocated depreciation	77,949
Total support services	<u>556,660</u>
Total depreciation expense	<u>\$ 982,285</u>

NOTE 4. LONG-TERM DEBT

The Board's long-term debt is summarized as follows:

As of June 30, 2016, the governmental long-term debt of the District consisted of the following:

Bonds payable:	
Current portion	\$ 745,000
Non current portion	9,020,000
Accrued compensated absences:	
Current portion	162,790
Non current portion	87,784
Obligations under capital leases	
Current portion	52,021
Non current portion	50,595
Total governmental activity debt	<u>\$ 10,118,190</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4. LONG-TERM DEBT (Continued)

As of June 30, 2016, there was no long-term debt payable from proprietary fund resources. During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2015	Issued	Retired/ Adjustments	Balance June 30, 2016	Amounts Due Within One Year	Long Term Portion
Bonds payable	\$ 10,485,000		\$ (720,000)	\$ 9,765,000	\$ 745,000	\$ 9,020,000
Obigations under Capital leases	169,628		(67,012)	102,616	52,021	50,595
Compensated Absences Payable	265,290	25,742	(40,458)	250,574	162,790	87,784
Total	\$ 10,919,918	\$ 25,742	\$ (827,470)	\$ 10,118,190	\$ 959,811	\$ 9,158,379

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referenda. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

In October 1993, the District issued serial bonds for general improvements to the District's property and in July, 2003, the District issued pension serial bonds for early retirement incentives payable. Principal and interest due on those serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	745,000	390,150	1,135,150
2018	755,000	360,138	1,115,138
2019	785,000	327,133	1,112,133
2020	810,000	292,843	1,102,843
2021	980,000	256,318	1,236,318
Thereafter	5,690,000	929,275	6,619,275
	<u>\$ 9,765,000</u>	<u>\$ 2,555,855</u>	<u>\$ 12,320,855</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4. LONG-TERM DEBT (Continued)

B. Capital Leases

On August 15, 2012, June 30, 2013, September 27, 2013, and September 19, 2015 respectively, the Board signed four five-year leases for four school buses. Principal and interest due on the capital lease obligations outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 51,521	\$ 2,533	\$ 54,054
2018	34,853	1,231	36,084
2019	16,242	387	16,629
	<u>\$ 102,616</u>	<u>\$ 4,151</u>	<u>\$ 106,767</u>

NOTE 5. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (the "Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Summary of Significant Accounting Policies TPAF- For the 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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$56,552,535 as measured on June 30, 2015 and \$48,308,189 as measured on June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$3,453,041 and revenue of \$3,453,041 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the district does not report net pension liability or deferred outflows or inflows related to TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/14</u>	<u>06/30/15</u>
Collective deferred outflows of resources	\$2,306,623,861	\$7,521,378,257
Collective deferred inflows of resources	1,763,205,593	554,399,005
Collective net pension liability (Nonemployer- State of New Jersey)	53,446,745,367	63,204,270,305
State's portion of the net pension liability that was associated with the district	48,308,189	56,552,535
State's portion of the net pension liabilities that was associated with the district as a percentage of the collective net pension liability	.0903856522%	.0894758141%

Actuarial Assumptions- The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases 2012-2021:	Varies based on experience
Thereafter:	Varies based on experience
Investment Rate of Return:	7.90%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return – 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 Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long- Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds-MultiStrategy	4.00%	4.59%
Hedge Funds-Equity Hedge	4.00%	5.68%
Hedge Funds-Distressed	4.00%	4.30%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

Discount Rate: The discount rate used to measure the State's total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf16.pdf>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>

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

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

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

At June 30, 2016, the District reported a liability of \$5,892,087 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was 0.02625%, which was an increase of 0.00082% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$502,948. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2016		June 30, 2015	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 140,565	\$ -	\$ -	\$ -
Changes of assumptions	632,763		149,727	
Net difference projected and actual earnings on pension plan investments		94,733		283,758
Changes in proportion and differences between District and proportionate share of contributions	524,632		483,946	
District contributions subsequent to the measurement date	225,660.00		209,654	
Total	<u>\$ 1,523,620</u>	<u>\$ 94,733</u>	<u>\$ 843,327</u>	<u>\$ 283,758</u>

\$225,660 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability measured as of June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2016	\$ 247,431
2017	\$ 247,421
2018	\$ 247,421
2019	\$ 247,421
2020	\$ 247,421
Thereafter	\$ 191,772
Total	<u>\$ 1,428,887</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

	6/30/2014	6/30/2015
Collective deferred outflows of resources	\$1,032,618,058	\$ 86,138,484
Collective deferred inflows of resources	1,723,631,532	478,031,236
Collective net pension liability (Non-State-Local Group)	18,722,735,003	22,447,996,119
District's portion of net pension liability	4,761,481	5,892,087
District's proportion %	0.0254315463%	0.0262477204%

Actuarial assumptions. The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.04%
Salary Increases:	
2012-2021	2.15% – 4.40% based on age
Thereafter	3.15% – 5.40% based on age
Investment Rate of Return:	7.90%

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.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30,2011.

Long-Term Expected Rate of Return - 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 Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/ Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

Discount rate. The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

June 30, 2015	<u>1% Decrease</u> <u>(3.90%)</u>	<u>Rate</u> <u>4.90%</u>	<u>1% Increase</u> <u>5.90%</u>
District's proportionate share of the net pension liability	\$ 5,744,518	\$ 4,761,481	\$ 3,938,678
June 30, 2014	<u>1% Decrease</u> <u>(4.39%)</u>	<u>Rate</u> <u>(5.39%)</u>	<u>1% Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 5,990,113	\$ 4,761,481	\$ 3,729,750

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

Significant Legislation - Two pieces of legislation passed during the year ending June 30, 2002 had a significant impact on the benefit provisions under the PERS and TPAF. Chapter 133, P.L. 2002, increases retirement benefits for service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increases the retirement benefit for veteran members with 35 or more years of service and reduces the age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements were effective with the November 1, 2002 benefit checks. Chapter 120, P.L.2002, establishes an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Chapter 4, P.L. 2002 provides increased benefits to certain members of the PERS, who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5 percent of the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 percent to 70 percent of final compensation.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfounded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

Three – Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/16	\$ 225,660	100%	0
06/30/15	209,654	100%	0
06/30/14	169,035	100%	0

Three – Year Trend Information for TPAF

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/16	\$ 1,571,046	100%	0
06/30/15	1,251,673	100%	0
06/30/14	1,009,310	100%	0

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$1,571,046 to the TPAF for normal and post retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$661,320 during the year ended June 30, 2016 for employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as a revenue and an expenditure. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 6. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go beginning fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

GASB Statement # 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued sick leave up to \$7,000. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid in accordance with District agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the governmental fund types is recorded as a current and long-term liability. The current portion of the compensated absence balance is \$162,790 and long-term liability balance of compensated absences is \$87,784. The total balance of compensated absences payable was \$250,574 as of June 30, 2016.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of various 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, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: 1) Equitable, 2) Met Life, 3) Valic, and 4) Lincoln Investment.

NOTE 9. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage through North Jersey Educational Insurance Fund 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.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 342,067	
Special revenue fund		219,090
Capital project fund		118
Debt Service Fund	118	
Enterprise Funds		103,958
Fiduciary funds	3,958	22,977
Total	<u>\$ 346,143</u>	<u>\$ 346,143</u>

The payroll agency interfund receivable and or payable in the General Fund and Enterprise Funds was not eliminated, since Trust and Agency Funds are not included on The Statement of Net Position.

NOTE 11. INVENTORY

Ending inventory in the Food Service Fund at June 30, 2016 was \$5,090.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984 as amended by the single audit act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,742,051 General Fund balance at June 30, 2016, \$ 93,080 is committed and reserved for encumbrances; \$468,679 is restricted and reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$768,005 of the total reserve for excess surplus and \$148,210 assigned fund balance has been appropriated and included as anticipated revenue for the year ending June 30, 2016 in the total amount of \$916,215; and \$264,077 is unassigned and undesignated.

Capital Projects Fund - Of the \$90,180 Capital Project Fund balance at June 30, 2016, \$0 is committed and reserved for encumbrances; \$90,180 unassigned and undesignated.

Debt Service Fund - Of the \$142 Debt service Fund balance at June 30, 2016, \$12 has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$130 is unassigned and undesignated.

The following is a summary of adjustments made to the fund statements to arrive at the total net position per the District-wide Statement of Net Assets:

	Governmental Activities	Business-Type Activities	Total
Fund balance/net position	\$ 1,776,214	\$ 685,582	\$ 2,461,796
Add: Capital assets, net of A/D	9,801,373	33,995	9,835,368
Add: Deferred Inflows net With Deferred Outflows	1,428,887		1,428,887
Less: Long-term liabilities	(16,010,277)		(16,010,277)
Total net position	<u>\$ (3,003,803)</u>	<u>\$ 719,577</u>	<u>\$ (2,284,226)</u>

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 13. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$56,159 in the Special Revenue Fund as of June 30, 2016 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, 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. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, 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 payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) 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 District does not have a deficit in the GAAP funds statements, and therefore is less than the last state aid payment.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 14. BUDGETS / BUDGETARY CONTROLS

The Following presents a reconciliation of the general fund revenues and special revenue funds revenue and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental funds. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognitions policy for the last state aid payment.

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 24,041,669	\$ 1,449,240
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		7,508
Prior year encumbrances expended		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	(180,141)	(56,159)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	168,320	57,890
	<u>\$ 24,029,848</u>	<u>\$ 1,458,479</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
	<u>\$ 24,029,848</u>	<u>\$ 1,458,479</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 24,443,290	\$ 1,449,240
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		7,508
Prior year encumbrances expended		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund.		
	<u>\$ 24,443,290</u>	<u>\$ 1,456,748</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.		
	<u>\$ 24,443,290</u>	<u>\$ 1,456,748</u>

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15. CALCULATION OF EXCESS SURPLUS

Pursuant to N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 was \$468,679.

NOTE 16. CONTINGENT LIABILITIES

Litigation

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the District's management and of the District's attorney, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

Grants

The District received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes and effective internal control for the proper administration of the funds. The District is subject to the provisions of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the District be audited in conjunction with the audit of the general-purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of June 30, 2016, the District estimates that no material liabilities will result from such audits.

NOTE 17. SUBSEQUENT EVENTS

Management has reviewed subsequent events through November 11, 2016, which is the date the financial statements were available to be issued. There has been no new debt authorized as of November 11, 2016, however the District has a plan to refund \$5,300,000, the refunding will be priced the week of November 14, 2016.

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Required Supplementary Information

Part II

BUDGETARY COMPARISON SCHEDULES

**WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
REVENUES					
Local sources:					
Local tax levy	\$ 18,422,272	\$ -	\$ 18,422,272	\$ 18,422,272	\$ -
Tuition	93,000	-	93,000	77,036	(15,964)
Miscellaneous	250,000	-	250,000	372,063	122,063
Total - local sources	<u>18,765,272</u>	<u>-</u>	<u>18,765,272</u>	<u>18,871,371</u>	<u>106,099</u>
State Sources:					
Adjustment aid	1,441,112	-	1,441,112	1,441,112	-
Transportation aid	150,390	-	150,390	150,390	-
Special education aid	724,050	-	724,050	724,050	-
Security aid	352,479	-	352,479	352,479	-
Extraordinary aid	180,000	-	180,000	203,233	23,233
Other state aid	25,020	-	25,020	25,020	-
TPAF pension (on-behalf - non-budgeted)	-	-	-	717,135	717,135
TPAF post retirement medical contributions (on-behalf - non-budgeted)	-	-	-	853,911	853,911
TPAF social security (reimbursed - non-budgeted)	-	-	-	661,320	661,320
Total - state sources	<u>2,873,051</u>	<u>-</u>	<u>2,873,051</u>	<u>5,128,650</u>	<u>2,255,599</u>
Federal sources:					
Medical assistance program	21,958	-	21,958	41,648	19,690
Total - federal sources	<u>21,958</u>	<u>-</u>	<u>21,958</u>	<u>41,648</u>	<u>19,690</u>
TOTAL REVENUES	<u>21,660,281</u>	<u>-</u>	<u>21,660,281</u>	<u>24,041,669</u>	<u>2,381,388</u>
EXPENDITURES					
INSTRUCTION					
Current expenses:					
Regular programs - instruction:					
Regular programs - instruction:					
Preschool/kindergarten - salaries of teachers	355,219	(22,273)	332,946	330,593	2,353
Grades 1-5 - salaries of teachers	2,400,000	(249,785)	2,150,215	2,148,616	1,599
Grades 6-8 - salaries of teachers	1,604,500	58,000	1,662,500	1,657,600	4,900
Grades 9-12 - salaries of teachers	1,585,475	129,644	1,715,119	1,708,968	6,151
Regular programs - home instruction:					
Salaries of teachers	13,000	-	13,000	10,526	2,474
Other purchased services (400-500 series)	7,000	-	7,000	270	6,730
Regular programs - undistributed instruction:					
Other salaries for instruction	-	-	-	-	-
Purchased professional-educational services	61,893	(13,670)	48,223	38,075	10,148
Purchased technical services	143,000	13,106	156,106	149,932	6,174
Other purchased services (400-500 series)	300,500	(53,474)	247,026	222,419	24,607
General/teaching supplies	287,775	112,782	400,557	386,080	14,477
Textbooks	228,200	(21,465)	206,735	199,237	7,498
Other objects	20,800	3,200	24,000	12,347	11,653
Total regular programs - instructions	<u>7,007,362</u>	<u>(43,935)</u>	<u>6,963,427</u>	<u>6,864,663</u>	<u>98,764</u>
Special education - instructions:					
Learning and/or language disabilities:					
General supplies	-	-	-	-	-
Total learning and/or language disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource room/resource center:					
Salaries of teachers	763,849	46,000	809,849	809,726	123
Other salaries for instruction	276,000	(46,000)	230,000	224,325	5,675
General supplies	1,500	-	1,500	1,064	436
Textbooks	1,500	279	1,779	-	1,779
Total resource room/resource center	<u>1,042,849</u>	<u>279</u>	<u>1,043,128</u>	<u>1,035,115</u>	<u>8,013</u>
Total special education - instruction	<u>1,042,849</u>	<u>279</u>	<u>1,043,128</u>	<u>1,035,115</u>	<u>8,013</u>
Bilingual education - instruction:					
Salaries of teachers	182,270	-	182,270	180,472	1,798
General supplies	6,000	-	6,000	1,147	4,853
Textbooks	5,000	-	5,000	1,414	3,586
Total bilingual education - instruction	<u>193,270</u>	<u>-</u>	<u>193,270</u>	<u>183,033</u>	<u>10,237</u>
School-spon. co curricular actvts. - instruction:					
Salaries	92,000	(9,938)	82,062	81,882	180
Supplies and materials	17,900	(1,275)	16,625	10,042	6,583
Other objects	11,000	600	11,600	10,647	953
Total school-spon. co curricular actvts. - instruction	<u>120,900</u>	<u>(10,613)</u>	<u>110,287</u>	<u>102,571</u>	<u>7,716</u>

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
School-spon. co curricular athletics - instruction:					
Salaries	\$ 195,000	\$ 116,975	\$ 311,975	\$ 311,570	\$ 405
Purchased services	3,000		3,000	2,827	173
Supplies and materials	70,000	4,280	74,280	67,337	6,943
Other objects	25,000	(4,000)	21,000	20,357	643
Total school-spon. co curricular athletics - instruction	293,000	117,255	410,255	402,091	8,164
Before and after school programs- instruction:					
Salaries	15,000	(15,000)	-	-	-
Total before and after school programs- instruction	15,000	(15,000)	-	-	-
TOTAL INSTRUCTION	8,672,381	47,986	8,720,367	8,587,473	132,894
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	840,000	64,902	904,902	902,953	1,949
Tuition to CSSD & regional day schools	1,358,590	(150,000)	1,208,590	1,208,590	-
Tuition to private schools for the disabled - within state	1,000,000	31,528	1,031,528	1,009,656	21,872
Tuition State facilities	4,500	(4,500)	-	-	-
Total undistributed expenditures - instruction	3,203,090	(58,070)	3,145,020	3,121,199	23,821
Undistributed expend. - attend. & social work:					
Salaries	25,000	(23,872)	1,128	1,128	-
Other purchased services (400-500 series)	900	-	900	-	900
Total undistributed expend. - attend. & social work	25,900	(23,872)	2,028	1,128	900
Undistributed expenditures - health services:					
Salaries	130,000	(4,500)	125,500	122,909	2,591
Purchased professional and technical services	2,050	21,640	23,690	22,278	1,412
Supplies and materials	6,300	-	6,300	4,868	1,432
Other objects	2,100	-	2,100	813	1,287
Total undistributed expenditures - health services	140,450	17,140	157,590	150,868	6,722
Undist. expend. - speech, OT, PT and other supp. serv. students - related serv.:					
Salaries	144,000	-	144,000	144,000	-
Purchased professional - educational service	200,000	106,308	306,308	273,087	33,221
Supplies and materials	6,500	-	6,500	6,499	1
Other objects	500	698	1,198	306	892
Total undist. expend. - speech, OT, PT and - related serv.	351,000	107,006	458,006	423,892	34,114
Undist. expend. - other supp. serv. guidance- students-reg.:					
Extra-ordinary services		29,008	29,008	29,008	-
Salaries of other professional staff	229,000	(20,000)	209,000	208,197	803
Purchased professional - educational service	29,000	(3,200)	25,800	22,875	2,925
Purchased service testing		2,000	2,000	1,686	314
Supplies and materials	7,000	(3,000)	4,000	2,603	1,397
Supplies and materials testing		1,000	1,000	833	167
Other objects	2,000	-	2,000	1,759	241
Total undist. expend. - other supp. serv. guidance - students - reg.	267,000	5,808	272,808	266,961	5,847
Undist. expend. - other supp. serv. students - spl.- child study teams:					
Salaries of other professional staff	315,000	-	315,000	313,994	1,006
Other purchased services	1,000	-	1,000	956	44
Misc. purchased serv. (400 - 500 series o/tau reg. costs)	2,000	-	2,000	-	2,000
Supplies and materials	4,000	286	4,286	4,086	200
Other objects	1,000	-	1,000	949	51
Total undist. expend. - other supp. serv. students - spl.- child study teams	323,000	286	323,286	319,985	3,301
Undist. expend. - improvement of inst. serv.:					
Salaries of supervisor of instruction	168,000	(168,000)	-	-	-
Salaries of other professional staff	104,000	-	242,000	207,094	34,906
Travel		3,500	3,500	2,773	727
Total undist. expend. - improvement of inst. serv.	272,000	(26,500)	245,500	209,867	35,633
Undist. expend. - edu. media serv./sch. library:					
Salaries	231,000	2,045	233,045	232,875	170
Salaries of technology coordinators	100,000	2,385	102,385	102,385	-
Purchased professional and technical services	2,629	(1,075)	1,554	-	1,554
Other purchased services	500	-	500	128	372
Supplies and materials	20,600	(3,259)	17,341	14,889	2,452
Other objects	5,000	-	5,000	3,278	1,722
Total undist. expend. - edu. media serv./sch. Library	359,729	96	359,825	353,555	6,270
Undist. expend. - instructional staff training serv.:					
Purchased professional - educational service	75,000	(846)	74,154	58,581	15,573
Total undist. expend. - instructional staff training serv.	75,000	(846)	74,154	58,581	15,573
Undist. expend. - supp. serv. - general admin.:					
Salaries	243,000	(33,165)	209,835	209,835	-
Legal services	60,000	20,784	80,784	74,401	6,383
Audit fees	62,500	-	62,500	62,500	-
Other purchased professional services	49,000	12,500	61,500	55,934	5,566
Purchased technical services	15,000	-	15,000	13,500	1,500
Communications/telephone	108,000	3,835	111,835	111,319	516
Travel-Superintendent		2,500	2,500	2,333	167
BOE other purchased services	9,500	(500)	9,000	7,650	1,350
Other purchased services	37,000	2,700	39,700	39,700	-
Supplies and materials	13,000	10,271	23,271	18,629	4,642
Miscellaneous expenditures	9,000	(4,500)	4,500	4,447	53
BOE membership dues and fees	14,000	(1,000)	13,000	12,091	909
Total undist. expend. - supp. serv. - general admin.	620,000	13,425	633,425	612,339	21,086
Undist. expend. - support serv. - school admin.:					
Salaries of principals/assistant principals	667,000	29,000	696,000	690,286	5,714
Salaries of secretarial and clerical assistants	280,000	(54,000)	226,000	222,607	3,393
Unused vacation payments to terminated/retired employees		15,217	15,217	12,376	2,841
Purchased professional and technical services	5,000	-	5,000	-	5,000
Other purchased services	1,550	9,500	11,050	9,996	1,054
Supplies and materials	12,000	(1,543)	10,457	8,977	1,480

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
Other objects	28,000	155	28,155	23,419	4,736
Total undist. expend. - support serv. - school admin.	993,550	(1,671)	991,879	967,661	24,218
Undist. expend. - central services:					
Salaries	\$ 325,000	\$ 16,000	\$ 341,000	\$ 337,134	\$ 3,866
Purchased professional services	2,000	-	2,000	700	1,300
Travel	-	-	-	-	-
Supplies and materials	10,000	(2,000)	8,000	2,243	5,757
Miscellaneous expenditures	2,000	-	2,000	1,574	426
Total undist. expend. - central services	339,000	14,000	353,000	341,651	11,349
Undist. expend. - allowable maintenance for school facilities:					
Cleaning, repair, and maintenance services	149,000	(44,511)	104,489	98,760	5,729
General supplies	5,000	-	5,000	4,394	606
Total undist. expend. - allowable maintenance for school facilities	154,000	(44,511)	109,489	103,154	6,335
Undist. expend. - other oper. & maint. of plant - custodial services:					
Salaries	582,000	(26,443)	555,557	554,627	930
Salaries of non-instructional aides	95,000	12,000	107,000	103,339	3,661
Purchased professional and technical services	98,000	-	98,000	96,525	1,475
Cleaning, repair and maintenance services	62,000	42,059	104,059	95,833	8,226
Other purchased property services	63,000	(3,289)	59,711	47,109	12,602
Insurance	232,000	(3,000)	229,000	223,517	5,483
Miscellaneous purchased services	-	-	-	-	-
General supplies	100,000	(21,884)	78,116	63,693	14,423
Energy (electricity)	180,000	(93,473)	86,527	67,868	18,659
Other objects	5,000	-	5,000	3,011	1,989
Energy (natural gas)	160,000	50,000	210,000	195,812	14,188
Total undist. expend. - other oper. & maint. of plant - custodial services	1,577,000	(44,030)	1,532,970	1,451,334	81,636
Undist. expend. - security:					
Salaries	55,000	-	55,000	44,690	10,310
General supplies	1,000	-	1,000	-	1,000
Total undist. expend. - security	56,000	-	56,000	44,690	11,310
Total undist. expend. - oper. & maint. of plant	1,787,000	(88,541)	1,698,459	1,599,178	99,281
Undist. expend. - student transportation serv.:					
Salaries of non-instructional aids	110,000	(87,675)	22,325	22,324	1
Sal. for pup. trans. (bet. home and school) - regular	120,000	70,000	190,000	190,000	-
Sal. for pup. trans. (bet. home and school) - special	55,000	-	55,000	53,190	1,810
Sal. for pup. trans. (other than bet. home and school)	45,000	-	45,000	41,968	3,032
Cleaning, repair and maintenance services	55,000	(5,084)	49,916	49,916	-
Lease purchase payments - school buses	71,400	-	71,400	71,357	43
Aid in lieu of charter school	3,500	-	3,500	1,768	1,732
Aid in lieu of choice school	-	-	-	-	-
Contract services - (between home and school) - vendors	-	-	-	-	-
Contract services - (other than between home and school) - vendors	3,500	(3,500)	-	-	-
Special ed. - joint agreement	64,000	(12,853)	51,147	41,068	10,079
Contract services regular education students	60,000	(4,682)	55,318	55,318	-
Transportation services- CTSA special education	450,000	169,058	619,058	618,475	583
Misc. purchased serv. - transportation	26,500	(8,200)	18,300	18,300	-
Supplies and materials	62,000	(39,800)	22,200	21,126	1,074
Other objects	8,000	-	8,000	4,810	3,190
Total undist. expend. - student transportation serv.	1,133,900	77,264	1,211,164	1,189,620	21,544
UNALLOCATED BENEFITS					
Social security contributions	260,000	(25,000)	235,000	225,727	9,273
PERS contributions - regular	230,000	-	230,000	225,660	4,340
Unemployment compensation	50,000	-	50,000	47,994	2,006
Workmen's compensation	142,000	(28,000)	114,000	113,384	616
Health benefits	2,998,209	(59,017)	2,939,192	2,939,192	-
Tuition reimbursement	15,000	-	15,000	8,700	6,300
Other employee benefits	16,000	-	16,000	9,816	6,184
Unused sick pay retirement	-	21,000	21,000	9,940	11,060
TOTAL UNALLOCATED BENEFITS	3,711,209	(91,017)	3,620,192	3,580,413	39,779
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	717,135	(717,135)
TPAF post retirement medical contributions (on-behalf - non-budgeted)	-	-	-	853,911	(853,911)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	661,320	(661,320)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,232,366	(2,232,366)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,711,209	(91,017)	3,620,192	5,812,779	(2,192,587)
TOTAL UNDISTRIBUTED EXPENDITURES	13,601,828	(55,492)	13,546,336	15,429,264	(1,882,928)
TOTAL GENERAL CURRENT EXPENSE	22,274,209	(7,506)	22,266,703	24,016,737	(1,750,034)
CAPITAL OUTLAY					
Facilities acquisition and construction services:					
SDA assessment	30,709	-	30,709	30,709	-
Undistributed expenditures- admin info tech.	90,000	100,500	190,500	190,227	273
Undistributed expenditures- custodial services	9,000	-	9,000	3,078	5,922
Undistributed expenditures- high school	-	79,172	79,172	60,896	18,276
Total facilities acquisition and construction services	129,709	179,672	309,381	284,910	24,471
TOTAL CAPITAL OUTLAY	129,709	179,672	309,381	284,910	24,471
Transfer of funds to Charter Schools	103,705	37,938	141,643	141,643	-

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

BUGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
TOTAL EXPENDITURES	22,507,623	210,104	22,717,727	24,443,290	(1,725,563)
Excess (deficiency) of revenues over (under) expenditures	\$ (847,342)	\$ (210,104)	\$ (1,057,446)	\$ (401,621)	\$ 655,825
Other financing sources:					
Operating transfer out:					
Transfer to food service fund	-	-	-	-	-
Transfer to extended care	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources					
Over (under) expenditures and other financing sources (uses)	(847,342)	(210,104)	(1,057,446)	(401,621)	655,825
Fund balance, July 1				2,323,813	
Fund balance, June 30	\$ (847,342)	\$ (210,104)	\$ (1,057,446)	\$ 1,922,192	\$ 655,825
Recapitulation fund balance:					
Restricted fund balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 768,005	
Assigned Fund Balance - designated for subsequent year's expenditures				148,210	
Reserve for excess surplus				468,679	
Committed fund balance:					
Year end encumbrances				93,080	
Unassigned fund balance				444,218	
				1,922,192	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(180,141)	
Fund balance per governmental funds (GAAP)				\$ 1,742,051	

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
State sources	\$ 596,939	\$ -	\$ 596,939	\$ 592,580	\$ (4,359)
Federal sources	856,660	-	856,660	856,660	-
TOTAL REVENUES	1,453,599	-	1,453,599	1,449,240	(4,359)
EXPENDITURES					
Instruction:					
Salaries of teachers	776,596	(68,443)	708,153	708,153	-
Other salaries for instruction	100,000	-	100,000	98,449	1,551
Purchased professional and technical services	60,000	3,220	63,220	63,220	-
Tuition	266,992	-	266,992	266,992	-
General supplies	66,332	(2,145)	64,187	64,051	136
Other purchased services	-	-	-	-	-
Other objects	-	-	-	-	-
Total instruction	1,269,920	(67,368)	1,202,552	1,200,865	1,687
Support services:					
Salaries of supervisor of instruction	-	-	-	-	-
Salaries of program directors	39,342	-	39,342	39,342	-
Salaries of other professional staff	-	-	-	-	-
Salaries of secretaries & clerical assistants	13,000	-	13,000	13,000	-
Personal services - salaries	-	-	-	-	-
Other salaries	12,000	-	12,000	9,586	2,414
Personal services - employee benefits	102,585	67,368	169,953	169,953	-
Plant operations and maintenance	-	-	-	-	-
Purchased professional - technical services	-	-	-	-	-
Purchased professional - educational services	2,500	-	2,500	2,500	-
Rentals	6,828	-	6,828	6,570	258
Purchased property services	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	176,255	67,368	243,623	240,951	2,672
Facilities acquisition and const. serv.:					
Construction services	7,424	-	7,424	7,424	-
Total facilities acquisition and const. serv.	7,424	-	7,424	7,424	-
TOTAL EXPENDITURES	1,453,599	-	1,453,599	1,449,240	4,359
Total outflows	1,453,599	-	1,453,599	1,449,240	4,359
Excess (deficiency) of revenues over (under) Expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

WEEHAWKEN BOARD OF EDUCATION
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION

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) "revenue" from the budgetary comparison schedule	[C-1]	\$ 24,041,669	[C-2]	\$	1,449,240
Difference - budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					7,508
Prior year encumbrances expended					
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(180,141)			(56,159)
State aid payment recognized for GAAP Statement in the current year, previously recognized for budgetary purposes.		168,320			57,890
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 <u>\$ 24,029,848</u>	 [B-2]	 \$	 <u>1,458,479</u>
Uses/outflows of resources					
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 24,443,290	[C-2]	\$	1,449,240
Difference - budget to GAAP:					
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					
Prior year encumbrances expended					7,508
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.					
Net transfers (outflows) to general fund					
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 <u>\$ 24,443,290</u>	 [B-2]	 \$	 <u>1,456,748</u>

Required Supplementary Information

Part III

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit C-4

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teachers' Pension and Annuity Fund (TPAF)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A							
District's proportionate share of the net pension liability (asset) **										
District's proportionate share of the net pension liability (asset) associated with the District	\$ 56,552,535	\$ 48,308,189	\$ 46,867,404							
Total	<u>56,552,535</u>	<u>48,308,189</u>	<u>46,867,404</u>							
District's covered employee payroll	8,913,297	10,988,621	8,818,184							
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A							
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%							

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.02620%	0.02543%	0.02243%							
District's proportionate share of the net pension liability (asset)	\$ 5,892,087	\$ 4,761,481	\$ 4,287,568							
District's covered employee payroll	1,657,489	1,774,778	1,658,529							
District's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	355%	268%	259%							
Plan fiduciary net position as a percentage of the total pension liability (Local)	47.93%	52.08%	48.72%							

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit C-5

**SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Pension and Annuity Fund (TPAF)**

	Fiscal Year Ending June 30.									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution**	N/A	N/A	N/A							
Contributions in relation to the contractually required contributions**	N/A	N/A	N/A							
Contributions deficiency (excess)	N/A	N/A	N/A							
District's covered employee payroll	\$ 8,913,297	\$ 10,988,621	\$ 8,818,184							
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A							

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	Fiscal Year Ending June 30.									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution**	\$ 225,660	\$ 169,035	\$ 173,660							
Contributions in relation to the contractually required contributions**	(225,660)	(169,035)	(173,660)							
Contributions deficiency (excess)	-	-	-							
District's covered employee payroll	1,657,489	1,774,778	1,658,529							
Contributions as a percentage of covered-employee payroll	13.61%	9.52%	10.47%							

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedules
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit C-6

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. 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.

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

Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disables Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

OTHER SUPPLEMENTARY INFORMATION

ABBOTT SCHEDULES

These schedules have been omitted. The Weehawken School District is a Non Abbott District.

SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-1

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	Total Brought Forward (Ex. E-1a)	Title I 2015-2016	I.D.E.A. Part B Basic 2015-2016	I.D.E.A. Part B Flow Through 2015-2016	Totals 2016
REVENUES					
State sources	\$ 592,580				\$ 592,580
Federal sources	93,158	423,510	329,848	10,144	856,660
TOTAL REVENUES	685,738	423,510	329,848	10,144	1,449,240
EXPENDITURES:					
Instruction:					
Salaries of teachers	385,991	322,162			708,153
Other salaries for instruction	98,449				98,449
Personal services - salaries	-				-
Purchased professional and technical services	-		63,220		63,220
Tuition	-		256,848	10,144	266,992
General supplies	44,403	9,868	9,780		64,051
Other purchased services	-				-
Other objects	-				-
Total instruction	<u>528,843</u>	<u>332,030</u>	<u>329,848</u>	<u>10,144</u>	<u>1,200,865</u>
Support services:					
Salaries of supervisors of instruction	-				-
Salaries of program directors	39,342				39,342
Salaries of other professional staff	-				-
Salaries of sec. and clerical assist.	13,000				13,000
Personal services - salaries	-				-
Other salaries	9,586				9,586
Personal services - employee benefits	80,973	88,980			169,953
Plant operations and maintenance	-				-
Purchased professional - technical services	-				-
Purchased professional - educational services	-	2,500			2,500
Rentals	6,570				6,570
Purchased property services	-				-
Supplies & materials	-				-
Total support services	<u>149,471</u>	<u>91,480</u>	<u>-</u>	<u>-</u>	<u>240,951</u>
Facilities acquisition and const. serv.:					
Equipment	7,424				7,424
Total facilities acquisition and const. serv.	<u>7,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,424</u>
Transfer to charter schools					
	-				-
TOTAL EXPENDITURES	685,738	423,510	329,848	10,144	1,449,240
Other financing sources (uses)					
Transfer in from general fund	-				-
Total outflows	<u>685,738</u>	<u>423,510</u>	<u>329,848</u>	<u>10,144</u>	<u>1,449,240</u>
Excess (deficiency) of revenues	-				-
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-1a

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	<u>Title II, Part A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Preschool Program Aid</u>	<u>Sub-totals 2016</u>
REVENUES					
State sources	\$ -	\$ -	\$ -	\$ 585,156	\$ 592,580
Federal sources	65,152	15,329	12,677		93,158
TOTAL REVENUES	<u>65,152</u>	<u>15,329</u>	<u>12,677</u>	<u>585,156</u>	<u>685,738</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	51,700	4,917		329,374	385,991
Other salaries for instruction				98,449	98,449
Personal services - salaries					-
Purchased professional and technical services					-
Tuition					-
General supplies		10,036	12,677	21,690	44,403
Other purchased services					-
Other objects					-
Total instruction	<u>51,700</u>	<u>14,953</u>	<u>12,677</u>	<u>449,513</u>	<u>528,843</u>
Support services:					
Salaries of supervisors of instruction					-
Salaries of program directors				39,342	39,342
Salaries of other professional staff					-
Salaries of sec. and clerical assist.				13,000	13,000
Personal services - salaries					-
Other salaries				9,586	9,586
Personal services - employee benefits	13,452	376		67,145	80,973
Plant operations and maintenance					-
Purchased professional - technical services					-
Purchased professional - educational services					-
Rentals				6,570	6,570
Purchased property services					-
Supplies & materials					-
Total support services	<u>13,452</u>	<u>376</u>	<u>-</u>	<u>135,643</u>	<u>149,471</u>
Facilities acquisition and const. serv.:					
Instructional equipment					7,424
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,424</u>
Transfer to charter schools					
					-
TOTAL EXPENDITURES	<u>65,152</u>	<u>15,329</u>	<u>12,677</u>	<u>585,156</u>	<u>685,738</u>
Other financing sources:					
Transfer in from general fund					-
Contribution to Whole School Reform					-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows	<u>65,152</u>	<u>15,329</u>	<u>12,677</u>	<u>585,156</u>	<u>685,738</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-1b

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	NJ EIF Safety Grant Program	Total Carried Forward
REVENUES		
State Sources	\$ 7,424	\$ 7,424
Federal Sources		-
TOTAL REVENUES	7,424	7,424
EXPENDITURES		
Instruction:		
Salaries of Teachers		-
Other Salaries For Instruction		-
Personal Services - Salaries		-
Purchased Professional and Technical Services		-
Tuition		-
General Supplies		-
Other Purchased Services		-
Other Objects		-
Total Instruction	-	-
Support Services:		
Salaries of Supervisors of Instruction		-
Salaries of Program Directors		-
Salaries of Other Professional Staff		-
Salaries of Administrative and Clerical Assistants		-
Personal Services - Salaries		-
Other Salaries		-
Personal Services - Employee Benefits		-
Plant Operations and Maintenance		-
Purchased Professional - Technical Services		-
Purchased Professional - Educational Services		-
Rentals		-
Purchased Property Services		-
Supplies & Materials		-
Total Support Services	-	-
Facilities Acquisition and Const. Serv.:		
Construction Services	7,424	7,424
Total Facilities Acquisition and Const. Serv.	7,424	7,424
Transfer to Charter Schools		-
TOTAL EXPENDITURES	7,424	7,424
Other Financing Sources (Uses)		
Transfer in from General Fund		-
Contribution to Whole School Reform		-
Total Outflows	7,424	7,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-2

SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES - BUDGETARY BASIS

EXPENDITURES	Budgeted	Actual	Variance
Instruction:			
Salaries of teachers	\$ 329,374	\$ 329,374	\$ -
Other salaries for instruction	100,000	98,449	1,551
Other purchased services (400-500 series)			-
Tuition to other LEAs within State			-
General supplies	21,826	21,690	136
Textbooks			-
Other objects			-
Total instruction	<u>451,200</u>	<u>449,513</u>	<u>1,687</u>
Support services:			
Salaries of supervisors of instruction			-
Salaries of program directors	39,342	39,342	-
Salaries of other professional staff			-
Salaries of secr. and clerical assistants	13,000	13,000	-
Other salaries	12,000	9,586	2,414
Salaries of community parent involvement specialists			-
Salaries of master teachers			-
Personal services - employee benefits	67,145	67,145	-
Purchased professional - educational services			-
Other purchased professional education - services			-
Rentals	6,828	6,570	258
Contr. transportation service (betw. home & sch.)			-
Contr. transportation service (field trips)			-
Travel			-
Supplies & materials			-
Total support services	<u>138,315</u>	<u>135,643</u>	<u>2,672</u>
TOTAL EXPENDITURES	<u><u>\$ 589,515</u></u>	<u><u>\$ 585,156</u></u>	<u><u>\$ 4,359</u></u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2015-16 Preschool Education Aid Allocation	\$ 583,282
Add: Actual ECPA Carryover (June 30, 2015)	81,908
Add: Budgeted Transfer from the General Fund 2015-16	
Total Preschool Education Aid Funds Available for 2015-16 Budget	<u>665,190</u>
Less: 2015-16 Budgeted Preschool Education Aid (Including prior year budget carryover)	<u>(589,515)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	75,675
Add: Prior Year Unexpended Encumbrance	
Add: June 30, 2015 Unexpended Preschool Education Aid	4,359
2015-16 Actual Carryover - Preschool Education Aid/ Preschool	<u><u>\$ 80,034</u></u>
2015-16 Preschool Education Aid Carryover Budgeted in 2016-17	<u><u>\$ 75,675</u></u>

See independent auditor's report and notes to the financial statements

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**WEEHAWKEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit F-1

SUMMARY STATEMENT OF PROJECT EXPENDITURES

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations At June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various School Improvements	12/17/2002	\$ 9,407,200	\$ 9,315,770	\$ 1,250	\$ 90,180
Various School Improvements	3/19/2008	<u>7,500,000</u>	<u>7,500,000</u>		-
Totals		<u>\$ 16,907,200</u>	<u>\$ 16,815,770</u>	<u>\$ 1,250</u>	<u>\$ 90,180</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit F-2

**SUMMARY SCHEDULE REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS**

REVENUES AND OTHER FINANCING SOURCES

Bond proceeds	\$ -
Other sources	-
	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	-

EXPENDITURES AND OTHER FINANCING USES

Other purchased professional and technical services	1,250
Construction services	
	1,250
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,250
Excess (deficiency) of revenues over (under) expenditures	(1,250)
Fund balance - beginning	91,430
Fund balance - ending	\$ 90,180

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 VARIOUS SCHOOL IMPROVEMENTS - 12/17/2002
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit F-2a

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State sources - SCC Grant	\$ 3,548,899	\$ -	\$ 3,548,899	\$ 3,548,899
Bond proceeds and transfers	5,858,000		5,858,000	5,858,000
Other sources	301		301	301
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>9,407,200</u>	<u>-</u>	<u>9,407,200</u>	<u>9,407,200</u>
EXPENDITURES AND OTHER FINANCING USES				
Other professional and technical services	932,055	1,250	933,305	995,363
Construction services	8,382,175		8,382,175	8,285,837
Legal services	1,540		1,540	126,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>9,315,770</u>	<u>1,250</u>	<u>9,317,020</u>	<u>9,407,200</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 91,430</u>	<u>\$ (1,250)</u>	<u>\$ 90,180</u>	<u>\$ -</u>

Additional project information:

Project Number	5580-050-03-0457
	5580-050-03-0458
	5580-050-03-0459
Grant date	12/20/02
Bond authorization date	07/09/04
Bonds authorized	\$ 5,858,000.00
Bonds issued	\$ 5,858,000.00
Original authorized cost	\$ 9,471,513.00
Additional authorized cost	\$ -
Revised authorized cost	\$ 9,471,513.00
Percentage increase over original	
Authorized cost	0%
Percentage completion	100%
Original target completion date	01/01/05
Revised target completion date	06/30/07

PROPRIETARY FUNDS

Proprietary funds are used to account for district activities that are similar to business operations in the private sector. There are two categories of proprietary funds – enterprise and internal service funds.

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

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

Extended Care Latchkey Program - This fund provides for the operation of an after school program for all children with the school district who require these services.

Internal service funds are used to account for the financing of goods or services provided by one department or office to other departments or offices of the district board of education, or to other district boards of education and governmental units, on a cost-reimbursement basis.

Internal Service Fund - NON APPLICABLE

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
AT JUNE 30, 2016**

Exhibit G-1

COMBINING STATEMENT OF NET POSITION

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 90,611	\$ 680,417	\$ 771,028
Accounts receivable:			
Customer	2,098		2,098
Federal	48,161		48,161
State	1,043		1,043
Inventories	5,090		5,090
Total current assets	<u>147,003</u>	<u>680,417</u>	<u>827,420</u>
Noncurrent assets:			
Furniture, machinery & equipment	93,603		93,603
Less accumulated depreciation	<u>(59,608)</u>		<u>(59,608)</u>
Total noncurrent assets	<u>33,995</u>	<u>-</u>	<u>33,995</u>
 TOTAL ASSETS	 <u><u>\$ 180,998</u></u>	 <u><u>\$ 680,417</u></u>	 <u><u>\$ 861,415</u></u>
 LIABILITIES AND NET POSITION			
Liabilities			
Current liabilities:			
Due to payroll account	\$ 3,958		\$ 3,958
Due to general fund		100,000	100,000
Accounts payable	37,117	\$ 763	37,880
Total current liabilities	<u>41,075</u>	<u>100,763</u>	<u>141,838</u>
Total liabilities	<u>41,075</u>	<u>100,763</u>	<u>141,838</u>
Net position			
Invested in capital assets net of related debt	33,995		33,995
Unrestricted	105,928	579,654	685,582
Total net position	<u>139,923</u>	<u>579,654</u>	<u>719,577</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 180,998</u></u>	 <u><u>\$ 680,417</u></u>	 <u><u>\$ 861,415</u></u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Food Service	Latchkey Program	Total Enterprise
Operating revenues			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 120,635	\$ -	\$ 120,635
Community service activities		253,451	253,451
Total operating revenues	120,635	253,451	374,086
Operating expenses			
Cost of sales	187,470		187,470
Salaries	109,225	136,606	245,831
Payroll taxes/ employee benefits	35,223		35,223
Repairs and maintenance	30,163		30,163
Facility fees	-	100,000	100,000
Administration Fees	37,765	17,428	55,193
General supplies	41,223		41,223
Depreciation	5,873		5,873
Total operating expenses	446,942	254,034	700,976
Operating income (loss)	(326,307)	(583)	(326,890)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,855		5,855
Federal sources:			
National school lunch program	256,571		256,571
Food distribution program	31,776		31,776
Net adjustment to fixed assets resulting from fixed assets inventory			
Total nonoperating revenues (expenses)	294,202	-	294,202
Change in net position	(32,105)	(583)	(32,688)
Net position—beginning	172,028	580,237	752,265
Net position—ending	\$ 139,923	\$ 579,654	\$ 719,577

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWS

	Food Service	Latchkey Program	Total Enterprise
Cash flows from operating activities			
Receipts from customers	\$ 118,540	\$ 253,451	\$ 371,991
Payments to employees	(106,439)		(106,439)
Payments for payroll taxes/ employee benefits	(38,009)	(136,606)	(174,615)
Payments to suppliers	(251,254)	(16,665)	(267,919)
Net cash provided by (used for) operating activities	(277,162)	100,180	(176,982)
Cash flows from investing activities			
Purchases of equipment	(4,630)		(4,630)
Net cash provided by (used for) investing activities	(4,630)	-	(4,630)
Cash flows from noncapital financing activities			
State Sources	5,173		5,173
Federal Sources	226,176		226,176
Net cash provided by (used for) non-capital financing activities	231,349	-	231,349
Net increase (decrease) in cash and cash equivalents	(50,443)	100,180	49,737
Balances—beginning of year	141,054	580,237	721,291
Balances—end of year	\$ 90,611	\$ 680,417	\$ 771,028
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (326,307)	\$ (583)	\$ (326,890)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,873		5,873
Food Distribution Program	31,776		31,776
(Increase) decrease in accounts receivable, net	(2,097)		(2,097)
(Increase) decrease in inventories	1,616		1,616
Increase (decrease) in current liabilities	11,977	100,763	112,740
Total adjustments	49,145	100,763	149,908
Net cash provided by (used for) operating activities	\$ (277,162)	\$ 100,180	\$ (176,982)

FIDUCIARY FUNDS

Fiduciary funds report assets that are held in a trustee or agency capacity for the external parties and that cannot be used to support the government's own programs.

Trust and agency funds are used to account for resources held and administered by a school district when it acts in a fiduciary capacity. Trust funds are used to account for assets held by the district as an agent for individuals or other funds.

**Scholarship Trust Fund -
(Louis Ferullo Scholarship)**

This is an expendable trust fund used to account for asset held by the district for grants to students where there are no restrictions regarding the use of principal and income.

**Nonexpendable Trust Fund -
(McGowan Award)**

This is a scholarship fund used to account for assets held by the district under the terms of a formal trust agreement, whereby the district is under the obligation to maintain the trust principal.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund -

This agency fund is used to account for student funds held at the schools.

Payroll Fund -

This agency fund is used to account for payroll transactions of the school district.

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
AT JUNE 30, 2016**

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>	<u>Agency</u>		<u>Total</u>
	<u>Louis Ferullo Scholarship Fund</u>	<u>McGowan Award Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2016</u>
ASSETS					
Cash and cash equivalents	\$ 7,112	\$ 1,000	\$ 42,867	\$ 26,429	\$ 77,408
Due from food service fund			-	3,958	3,958
TOTAL ASSETS	<u>7,112</u>	<u>1,000</u>	<u>42,867</u>	<u>30,387</u>	<u>81,366</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Payroll deductions and withholdings	-	-	-	7,410	7,410
Due to general fund				22,977	22,977
Due to student groups	-	-	42,867		42,867
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>42,867</u>	<u>30,387</u>	<u>73,254</u>
Net position:					
Reserved - principal portion					
Nonexpendable trust		1,000	-	-	1,000
Unreserved	7,112		-	-	7,112
TOTAL NET POSITION	<u>7,112</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>8,112</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 7,112</u>	<u>\$ 1,000</u>	<u>\$ 42,867</u>	<u>\$ 30,387</u>	<u>\$ 81,366</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
NONEXPENDABLE TRUST FUND - SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit H-2(A)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>McGowan Award Scholarship Fund</u>
Net position - beginning of the year	\$ 1,000
Net position - end of the year	<u>\$ 1,000</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
EXPENDABLE TRUST FUNDS - SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit H-2 (B)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Louis Ferullo Scholarship Fund
Additions	
Investment earnings:	
Interest on investments	\$ 20
Total additions	20
Deductions	
Transfer to HS activities fund	1,000
Expenditures	
Total deductions	1,000
Change in net position	(980)
Net position - beginning of the year	8,092
Net position - end of the year	\$ 7,112

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>At June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>At June 30, 2016</u>
Elementary school:				
Roosevelt	\$ 8,333	\$ 2,934	\$ 8,374	\$ 2,893
Webster	7,788	9,121	7,041	9,868
Total elementary school	<u>16,121</u>	<u>12,055</u>	<u>15,415</u>	<u>12,761</u>
High school:				
Weehawken high school				
General activity fund	<u>36,182</u>	<u>141,403</u>	<u>147,479</u>	<u>30,106</u>
Total high school	<u>36,182</u>	<u>141,403</u>	<u>147,479</u>	<u>30,106</u>
Total cash and cash equivalents	<u>\$ 52,303</u>	<u>\$ 153,458</u>	<u>\$ 162,894</u>	<u>\$ 42,867</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit H-4

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

	Balance, At June 30, 2015	Additions	Deletions	Balance, At June 30, 2016
ASSETS				
Cash and cash equivalents	\$ 21,148	\$ 13,475,727	\$ 13,470,446	\$ 26,429
Due from food service fund	-	15,578	11,620	3,958
	\$ 21,148	\$ 13,491,305	\$ 13,482,066	\$ 30,387
LIABILITIES				
Net payroll	\$ -	\$ 7,123,487	\$ 7,123,487	\$ -
Payroll deductions and withholdings	2,240	6,346,895	6,341,725	7,410
Interfund payable - general fund	18,908	20,923	16,854	22,977
	\$ 21,148	\$ 13,491,305	\$ 13,482,066	\$ 30,387

LONG-TERM DEBT

Long-term debt is used to record the outstanding principal balances of the general long-term liabilities of the school district.

This includes serial bonds outstanding, loans outstanding, and the outstanding principal balance on capital leases, and activity for debt service of the school district.

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit I-1a

SCHEDULE OF SERIAL BONDS

Issue	Date of Issue	Amount of Issue	Annual Maturates		Interest Rate (%)	Balance At June 30, 2015	Issued	Retired	Balance At June 30, 2016
			Date	Amount					
Pension Bonds Series 2003	07/15/03	2,060,000	04/15/17	125,000	5.850%	\$ 1,015,000	\$ -	\$ 115,000	\$ 900,000
			04/15/18	130,000	5.850%				
			04/15/19	140,000	5.850%				
			04/15/20	150,000	5.850%				
			04/15/21	160,000	5.850%				
			04/15/22	60,000	5.850%				
			04/15/23	65,000	5.850%				
			04/15/24	70,000	5.850%				
General Improvements	09/01/08	7,500,000	09/01/16	300,000	3.600%	6,250,000		300,000	5,950,000
			09/1/2017-19	300,000	4.000%				
			09/01/20-21	450,000	4.000%				
			09/01/22	450,000	4.050%				
			09/01/23	450,000	4.150%				
			09/01/24	450,000	4.200%				
			09/01/25-26	500,000	4.250%				
			09/01/27	500,000	4.300%				
			09/01/28-29	500,000	4.350%				
2013 Refunding G.O. Bonds 2003	10/30/13	3,500,000	07/15/16	320,000	3.000%	3,220,000		305,000	2,915,000
			07/15/17	325,000	4.000%				
			07/15/18	345,000	4.000%				
			07/15/19	360,000	4.000%				
			07/15/20	370,000	3.000%				
			07/15/21	385,000	4.000%				
			07/15/22	400,000	3.000%				
			07/15/23	410,000	3.000%				
						<u>\$ 10,485,000</u>	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 9,765,000</u>

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SCHEDULE OF OLBIGATIONS UNDER CAPITAL LEASES

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest Rate</u>	<u>Balance At June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance At June 30, 2016</u>
2012 School Bus	08/15/11	5 Years	81,263	3.14%	\$ 16,761		\$ 16,761	\$ -
2013 School Bus	06/30/12	5 Years	88,202	2.62%	36,021		17,528	18,493
2014 School Bus	09/27/13	5 Years	90,223	2.51%	54,111		17,588	36,523
2015 School Bus	09/18/14	5 Years	79,363	2.38%	62,735		15,135	47,600
					<u>\$ 169,628</u>	<u>\$ -</u>	<u>\$ 67,012</u>	<u>\$ 102,616</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit I-3

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES					
Local sources:					
Local tax levy	\$ 893,223		\$ 893,223	\$ 893,223	\$ -
Debt service aid type II	166,149		166,149	166,149	-
Capital reserve			-		-
TOTAL REVENUES	<u>1,059,372</u>	<u>-</u>	<u>1,059,372</u>	<u>1,059,372</u>	<u>-</u>
EXPENDITURES					
Regular debt service:					
Interest	356,000	-	356,000	356,000	-
Redemption of interest - early retirement bonds	59,378	-	59,378	59,378	-
Redemption of principal	720,000	-	720,000	720,000	-
Total regular debt service	<u>1,135,378</u>	<u>-</u>	<u>1,135,378</u>	<u>1,135,378</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,135,378</u>	<u>-</u>	<u>1,135,378</u>	<u>1,135,378</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(76,006)		(76,006)	(76,006)	-
Other financing sources:					
Operating transfers in:					
Interest earned in capital projects fund				130	130
Premium on refinance					-
				<u>130</u>	<u>130</u>
Operating transfers out:					
Cost of issuance					-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(76,006)	-	(76,006)	(75,876)	130
Fund balance, July 1	(19)	-	(19)	76,018	76,037
Fund balance, June 30	<u>\$ (76,025)</u>	<u>\$ -</u>	<u>\$ (76,025)</u>	<u>\$ 142</u>	<u>\$ 76,167</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Budgeted fund balance		<u>\$ -</u>		<u>\$ 12</u>	<u>\$ (12)</u>

STATISTICAL SECTION
(unaudited)

WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Exhibit J-1

NET POSITION BY COMPONENT

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
Governmental activities:					
Invested in capital assets, net of related debt	\$ 833,757	\$ 876,701	\$ 1,110,407	\$ 1,248,632	\$ 1,462,623
Restricted	1,569,634	1,992,899	2,163,747	2,416,800	964,354
Unrestricted	<u>(5,407,194)</u>	<u>(5,210,050)</u>	<u>(1,236,479)</u>	<u>(1,368,190)</u>	<u>(258,248)</u>
Total governmental activities net position	<u>\$ (3,003,803)</u>	<u>\$ (2,340,450)</u>	<u>\$ 2,037,675</u>	<u>\$ 2,297,242</u>	<u>\$ 2,168,729</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 33,995	\$ 35,238	\$ 35,181	\$ 40,514	\$ 45,841
Restricted	-	-	-	-	-
Unrestricted	<u>685,582</u>	<u>717,027</u>	<u>630,635</u>	<u>508,451</u>	<u>394,850</u>
Total business-type activities net position	<u>\$ 719,577</u>	<u>\$ 752,265</u>	<u>\$ 665,816</u>	<u>\$ 548,965</u>	<u>\$ 440,691</u>
District-wide:					
Invested in capital assets, net of related debt	\$ 867,752	\$ 911,939	\$ 1,145,588	\$ 1,289,146	\$ 1,508,464
Restricted	1,569,634	1,992,899	2,163,747	2,416,800	964,354
Unrestricted	<u>(4,721,612)</u>	<u>(4,493,023)</u>	<u>(605,844)</u>	<u>(859,739)</u>	<u>136,602</u>
Total district net position	<u>\$ (2,284,226)</u>	<u>\$ (1,588,185)</u>	<u>\$ 2,703,491</u>	<u>\$ 2,846,207</u>	<u>\$ 2,609,420</u>

**WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit J-2

CHANGES IN NET POSITION

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
DISTRICT EXPENSES					
Governmental activities:					
Instruction:					
Regular	\$ 13,231,090	\$ 12,317,434	\$ 10,602,822	\$ 10,437,006	\$ 10,249,611
Special education	1,841,535	1,645,319	1,440,259	1,416,314	1,193,753
Other special education	323,777	258,456	269,678	265,087	246,460
Other instruction	811,501	714,741	640,955	731,991	604,017
Support Services:					
Tuition	3,121,199	2,985,446	2,766,054	2,683,755	2,384,574
Student & instruction related services	3,092,323	3,107,519	2,806,067	2,717,492	2,517,644
School administrative services	1,342,902	1,128,748	905,185	1,009,070	942,634
General and business administrative services	1,230,758	1,199,791	1,215,267	1,356,344	1,251,582
Central services	604,570	500,856	504,428	504,209	483,829
Plant operations and maintenance	2,288,342	2,253,858	2,264,706	2,227,973	1,843,163
Pupil transportation	1,473,370	1,362,554	1,331,296	1,280,624	1,243,145
Charter schools	141,643	118,305	101,212	132,360	157,107
Special education job funds					72,364
Interest on long-term debt	415,378	459,744	417,270	515,755	545,352
Capital reserve transfer to debt service					
Capital outlay - not capitalized	30,709	30,709	36,309	30,708	29,249
Unallocated depreciation	77,949	89,734	99,982	96,733	91,397
Total governmental activities expenses	<u>30,027,046</u>	<u>28,173,214</u>	<u>25,401,490</u>	<u>25,405,421</u>	<u>23,855,881</u>
Business-type activities:					
Food service	446,942	417,006	405,194	388,929	364,676
Latchkey program	254,034	117,107	94,263	81,268	71,454
Total business-type activities expense	<u>700,976</u>	<u>534,113</u>	<u>499,457</u>	<u>470,197</u>	<u>436,130</u>
TOTAL DISTRICT EXPENSES	<u>\$ 30,728,022</u>	<u>\$ 28,707,327</u>	<u>\$ 25,900,947</u>	<u>\$ 25,875,618</u>	<u>\$ 24,292,011</u>
DISTRICT PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
Instruction (tuition)	\$ 77,036	\$ 113,038	\$ 138,138	\$ 99,343	\$ 148,151
Pupil transportation					
Central and other support services					
Operating grants and contributions	9,529,102	8,647,033	5,893,223	6,410,997	5,893,315
Capital grants and contributions					
Total governmental activities program revenues	<u>9,606,138</u>	<u>8,760,071</u>	<u>6,031,361</u>	<u>6,510,340</u>	<u>6,041,466</u>
Business-type activities:					
Charges for services					
Food service	120,635	114,361	112,312	109,411	99,526
Child care	253,451	204,503	192,074	181,881	164,227
Operating grants and contributions	294,202	295,768	311,922	287,179	265,284
Capital grants and contributions	-	-	-	-	-
Total business type activities program revenues	<u>668,288</u>	<u>614,632</u>	<u>616,308</u>	<u>578,471</u>	<u>529,037</u>
TOTAL DISTRICT PROGRAM REVENUES	<u>\$ 10,274,426</u>	<u>\$ 9,374,703</u>	<u>\$ 6,647,669</u>	<u>\$ 7,088,811</u>	<u>\$ 6,570,503</u>
DISTRICT NET (EXPENSES) / REVENUES					
Governmental activities	\$ (20,420,908)	\$ (19,413,143)	\$ (19,370,129)	\$ (18,895,081)	\$ (17,814,415)
Business-type activities	(32,688)	80,519	116,851	108,274	92,907
TOTAL DISTRICT NET (EXPENSES) / REVENUES	<u>\$ (20,453,596)</u>	<u>\$ (19,332,624)</u>	<u>\$ (19,253,278)</u>	<u>\$ (18,786,807)</u>	<u>\$ (17,721,508)</u>

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Exhibit J-2

CHANGES IN NET POSITION

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
DISTRICT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 18,422,272	\$ 17,904,821	\$ 17,475,315	\$ 17,045,145	\$ 16,661,907
Revenue from local gov't allocated to capital reserve					
Taxes levied for debt service	893,223	945,790	1,158,420	1,169,078	1,151,861
Tuition charges					
Federal and state aid budget vs. GAAP	(10,091)	(2,429)	25,566	13,363	(50,312)
Miscellaneous income	372,063	132,774	271,414	718,533	474,658
Capital grant - capital project					
Special item - adjustments	79,958	131,964	171,475	77,456	52,135
Transfers	130	12	8,372	19	23
Total governmental activities	<u>19,757,555</u>	<u>19,112,932</u>	<u>19,110,562</u>	<u>19,023,594</u>	<u>18,290,272</u>
Business-type activities:					
Special item -adjustments fixed assets		5,930			
Investment earnings	-	-	-	-	-
Transfers	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>5,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DISTRICT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>\$ 19,757,555</u>	<u>\$ 19,118,862</u>	<u>\$ 19,110,562</u>	<u>\$ 19,023,594</u>	<u>\$ 18,290,272</u>
DISTRICT CHANGES IN NET POSITION					
Governmental activities	\$ (663,353)	\$ (300,211)	\$ (259,567)	\$ 128,513	\$ 475,857
Business-type activities	(32,688)	86,449	116,851	108,274	92,907
TOTAL DISTRICT CHANGES IN NET POSITION	<u>\$ (696,041)</u>	<u>\$ (213,762)</u>	<u>\$ (142,716)</u>	<u>\$ 236,787</u>	<u>\$ 568,764</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Exhibit J-3

FUND BALANCES - GOVERNMENTAL FUNDS

	Fiscal Year Ending June 30,				
	2016	2015	2014	2013	2012
GENERAL FUND					
Restricted, committed, & assigned	\$ 1,477,974	\$ 1,825,451	\$ 1,963,847	\$ 2,272,996	\$ 1,220,997
Unassigned	264,077	330,042	251,556	212,591	221,574
TOTAL GENERAL FUND	\$ 1,742,051	\$ 2,155,493	\$ 2,215,403	\$ 2,485,587	\$ 1,442,571
ALL OTHER GOVERNMENTAL FUNDS					
Restricted, committed, & assigned	\$ 12		\$ 19	\$ 7,873	\$ 5,996
Unassigned:					
Special revenue fund	(56,159)	(57,890)	(54,702)	(53,550)	(33,127)
Capital projects fund	90,180	91,430	123,875	135,912	153,770
Debt service fund	130	76,018	76,006	19	23
Permanent fund					
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 34,163	\$ 109,558	\$ 145,198	\$ 90,254	\$ 126,662

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Exhibit J-4

CHANGES IN FUND BALANCES - GOVERNMENTAL FUND

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Tax levy	\$ 19,315,495	\$ 18,850,611	\$ 18,633,735	\$ 18,214,223	\$ 17,813,768	\$ 17,141,458	\$ 16,208,139	\$ 15,903,067	\$ 15,180,906	\$ 14,139,174
Capital reserve transfer							285,000			
Tuition charges	77,036	113,038	138,138	99,343	148,151	65,523	46,970	26,118	26,550	18,100
Miscellaneous	372,063	132,774	271,414	718,533	474,658	453,718	402,025	720,094	434,616	614,153
State sources	5,884,797	5,531,743	5,225,174	5,527,081	4,880,792	4,332,989	4,909,913	4,782,183	5,727,499	5,271,818
Federal sources	898,308	989,658	695,185	895,709	978,685	1,341,799	1,100,734	923,596	891,262	991,956
TOTAL REVENUES	26,547,699	25,617,824	24,963,646	25,454,889	24,296,054	23,335,487	22,952,781	22,355,058	22,260,833	21,035,201
EXPENDITURES										
Instruction:										
Regular instruction	8,065,528	7,872,082	7,554,994	7,401,632	7,405,665	7,661,246	7,694,057	7,801,906	7,376,369	7,316,545
Special education instruction	1,035,115	970,406	978,165	956,327	828,175	862,797	932,074	936,020	770,224	758,990
Other special instruction	183,033	152,457	184,478	180,942	172,382	206,883	211,228	198,104	228,583	220,478
Other instruction	504,662	468,451	469,370	525,699	451,572	371,743	411,519	419,838	388,384	366,478
Community service programs							10,000	10,000	10,000	10,000
Support services:										
Tuition	3,121,199	2,985,446	2,766,054	2,683,755	2,384,574	2,119,925	1,859,272	1,871,420	1,551,405	1,424,428
Student & inst. related services	1,855,835	1,984,186	1,870,203	1,814,951	1,731,879	1,827,243	1,868,794	1,694,049	1,575,317	1,433,602
School administrative services	612,339	545,782	536,642	582,103	581,556	616,488	566,867	744,550	771,573	751,865
Other administrative services	967,661	853,722	788,932	876,556	805,718	793,223	809,147	770,796	797,441	760,332
Central services	341,651	299,248	344,419	342,887	338,311	322,767	350,199	99,750	87,468	121,056
Plant operations and maintenance	1,599,178	1,604,641	1,778,190	1,711,528	1,379,427	1,420,923	1,548,923	1,733,794	1,415,556	1,357,898
Pupil transportation	1,189,620	1,097,318	1,145,258	1,117,450	1,089,459	959,545	1,039,880	1,043,841	923,168	851,139
Employee benefits	5,982,732	5,523,069	5,343,299	5,400,321	4,833,617	4,499,454	4,219,049	3,876,341	4,717,015	4,599,295
Transfer to charter schools	141,643	118,305	101,212	132,360	157,107	159,959	168,248	196,972	163,356	144,477
Special education jobs fund					72,364	35,440				
Debt service:										
Principal	720,000	640,000	829,969	812,722	775,583	758,596	486,706	474,952	458,223	446,592
Interest and other charges	415,378	459,744	417,270	515,755	545,352	573,549	744,926	318,199	335,471	351,765
Capital outlay	301,092	138,529	78,803	77,983	128,205	553,382	1,951,050	4,650,114	908,486	48,586
TOTAL EXPENDITURES	27,036,666	25,713,386	25,187,258	25,132,971	23,680,946	23,743,163	24,871,939	26,840,646	22,478,039	20,963,526
Excess (deficiency) of revenues over (under) expenditures	(488,967)	(95,562)	(223,612)	321,918	615,108	(407,676)	(1,919,158)	(4,485,588)	(217,206)	71,675
Other financing sources (uses)										
Transfers in	130	12	57,083	19	23	565	7,887	66,346	7,503,070	4,455
Transfers out			(48,711)					(115,000)	(184,313)	(120,000)
Total other financing sources (uses)	130	12	8,372	19	23	565	7,887	(48,654)	7,318,757	(115,545)
Net change in fund balances	\$ (488,837)	\$ (95,550)	\$ (215,240)	\$ 321,937	\$ 615,131	\$ (407,111)	\$ (1,911,271)	\$ (4,534,242)	\$ 7,101,551	\$ (43,870)
Debt service as a percentage of noncapital expenditures	4.25%	4.30%	4.97%	5.30%	5.61%	5.74%	5.37%	3.57%	3.68%	3.82%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-5

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (NJ)

Description	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Funds										
Interest on investments	\$ 891	\$ 234	\$ 207	\$ 227	\$ 166	\$ 2,200	\$ 1,764	\$ 11,213	\$ 43,290	\$ 51,330
Use of facilities	100,000	1,500	510	445,264	300,000	300,000	300,000	600,000	300,000	
High School gate fees/book fines/ activity account	1,074	4,758	6,755	6,883	4,611	4,773	4,960	6,208		
Insurance refunds/ Worker's Comp	43,238	17,667	11,403	17,862	16,703	9,536			6,399	
Refunds from vendors/educational institutions /e-rate HCS	120,143	101,577	105,953	114,072	93,441	100,206	88,864	97,279	73,628	33,727
Anti-bullying grant			811							
Special needs teacher reimbursement			83,977							
Cancel prior year accounts payable/py voided checks	94,798	1,107	5,742	24,568	23,725	33,317				
Other	11,919	5,931	5,014	5,721	36,012	3,686	6,437	5,394	11,299	29,096
Total miscellaneous	372,063	132,774	220,372	614,597	474,658	453,718	402,025	720,094	434,616	114,153
Revenue from local gov't allocated to capital reserve								285,000		
Capital reserve transfer to debt service							285,000			
Tuition	77,036	113,038	51,042	103,936	148,151	65,523	46,970	26,118	26,550	18,100
Total General Fund other than local revenue	\$ 449,099	\$ 245,812	\$ 271,414	\$ 718,533	\$ 622,809	\$ 519,241	\$ 733,995	\$ 1,031,212	\$ 461,166	\$ 132,253

Source: district records

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit J-6

ASSESSED VALUE & ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year Ended June 30,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Equalized Valuations
2016	\$ 1,194,462,742	\$ 2,690,837,445	44.39%
2015	1,179,925,232	2,615,082,518	45.12%
2014	1,181,084,193	2,639,452,108	44.75%
2013	1,170,850,850	2,525,748,607	46.36%
2012	1,204,038,935	2,323,054,090	51.83%
2011	1,183,868,735	2,284,138,019	51.83%
2010	1,167,334,040	2,241,424,808	52.08%
2009	1,145,241,240	2,321,591,810	49.33%
2008	1,090,888,140	2,232,224,555	48.87%
2007	1,037,375,723	2,123,159,482	48.86%

Source: Abstract of Ratables, Hudson County Board of Taxation

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit J-7

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(rate per \$100 of assessed value)

<u>Assessment Year</u>	<u>Weehawken School District</u>	<u>Weehawken Township</u>	<u>Hudson County</u>	<u>Open Space</u>	<u>Special Garbage District</u>	<u>Total</u>
2016	1.5960	2.3700	1.0720	0.0220	0.1830	\$ 5.2430
2015	1.5960	2.2450	1.2130	0.0120	0.1850	5.2510
2014	1.5880	2.1170	1.1700	0.0120	0.1840	5.0710
2013	1.5730	1.9030	1.1650	0.0050	0.1820	4.8280
2012	1.5220	1.8290	0.9740	0.0200	0.1590	4.5040
2011	1.4510	1.7780	0.8930	0.0100	0.1700	4.3020
2010	1.4060	1.6740	0.7830	0.0030	0.1690	4.0350
2009	1.3620	1.6300	0.7800	0.0210	0.1340	3.9270
2008	1.3440	1.3740	0.7650	0.0210	0.1300	3.6340
2007	1.3540	1.2900	0.8320	0.0210	0.1380	3.6350

Source: Weehawken Township Tax Collector

See independent auditor's report and notes to the financial statement

**WEEHAWKEN BOARD OF EDUCATION
CURRENT YEAR AND NINE YEARS AGO**

Exhibit J-8

PRINCIPAL PROPERTY TAXPAYERS

	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
HARTZ MOUNTAIN IND INC	\$ 210,417,372	1	17.04%	\$ 24,511,800	6	2.36%
ROSELAND PROPERTIES (MACK-CALI)	85,306,300	2	6.91%			
LENNAR CORP.	68,717,300	3	5.56%			
GLOBAL WEEHAWKEN ACQUISITIONS GROUP, LLC	42,500,000	4	3.44%	47,500,000	4	4.57%
LS-NJ PORT IMPERIAL, LLC	12,200,000	5	0.99%			
1500 HARBOR BLVD PARTNERS, LLC	11,760,100	6	0.95%			
TOWER PLAZA ASSOC.	8,000,000	7	0.65%	10,053,000	10	0.97%
1450 HARBOR BOULEVARD, LLC	7,542,200	8	0.61%			
HAMILTON HOUSE, LLC	4,000,000	9	0.32%			
FULTON HOUSE	3,520,000	10	0.28%			
HARTZ PW LP				80,439,900	1	7.74%
HARTZ PW TOWER BLP				53,619,500	3	5.16%
PORT IMPERIAL SOUTH 15 LLC				61,756,100	2	5.95%
RIVER PW HOTEL LIMITED PARTNERSHIP				33,138,580	5	3.19%
RIVER PW HOTEL LIMITED PARTNERSHIP				22,239,920	8	2.14%
HARTZ-PW LIMITED PARTNERSHIP				22,384,700	7	2.16%
HARTZ MOUNTAIN - PARSIPPANY				20,400,000	9	1.96%
TOTAL	<u>\$ 453,963,272</u>		<u>36.75%</u>	<u>\$ 376,043,500</u>		<u>36.20%</u>

Source: Municipal Tax Assessor

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit J-9

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Tax Levy Collected
2016	\$ 64,133,073	\$ 63,739,500	99.39%
2015	62,017,579	61,811,306	99.67%
2014	61,352,024	60,635,460	98.83%
2013	57,612,041	57,323,487	99.50%
2012	52,119,924	51,873,546	99.53%
2011	52,127,848	51,698,409	99.18%
2010	46,342,407	45,759,779	98.74%
2009	44,520,498	44,017,578	98.87%
2008	42,156,679	41,597,687	98.67%
2007	37,400,466	36,943,573	98.78%

Source: Weehawken Township Tax Collector

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-10

RATIOS OF OUTSTANDING DEBT BY TYPE

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2016	\$ 9,765,000	\$ -	\$ 102,616	\$ -	\$ -	\$ 9,867,616	-	N/A	
2015	10,485,000	-	169,628	-	-	10,654,628	-	N/A	
2014	11,125,000	-	157,360	-	-	11,282,360	-	50,088	
2013	12,052,969	-	134,906	-	-	12,187,875	0.39%	47,886	
2012	12,865,691	-	165,779	-	-	13,031,470	0.37%	47,819	
2011	13,641,274	-	46,951	-	-	13,688,225	0.34%	46,295	
2010	14,399,870	-	61,081	-	-	14,460,951	0.31%	44,241	
2009	14,886,576	-	178,140	-	-	15,064,716	0.28%	42,181	
2008	7,861,527	-	-	6,000,000	-	13,861,527	0.31%	43,644	
2007	8,319,751	-	31,924	-	-	8,351,675	0.49%	40,816	

N/A - Not Available

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

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

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-11

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions				
2016	\$ 9,765,000	\$ -	\$ 9,765,000	0.82%	N/A	
2015	10,485,000	-	10,485,000	0.89%	N/A	
2014	11,125,000	-	11,125,000	0.94%	50,088	
2013	11,125,000	-	11,125,000	0.95%	47,886	
2012	12,865,691	-	12,865,691	1.07%	47,819	
2011	13,641,274	-	13,641,274	1.15%	46,295	
2010	14,399,870	-	14,399,870	1.23%	44,241	
2009	14,886,576	-	14,886,576	1.30%	42,181	
2008	7,861,527	-	7,861,527	0.72%	43,644	
2007	8,319,751	-	8,319,751	0.80%	40,816	

N/A - Not Available

Notes:

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

a See Exhibit J-6 for property tax data.

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

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
AS OF JUNE 30, 2016**

Exhibit J-12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	Gross Debt	Deductions	Net Debt
Municipal Debt: (1)			
Weehawken School District	\$ 9,867,616	\$ 9,867,616	\$ -
Weehawken Township	127,384,607	47,312,785	80,071,822
	\$ 137,252,223	\$ 57,180,401	\$ 80,071,822
Overlapping Debt:			
County of Hudson (2) - Township's Share (4%)			18,728,718
			\$ 98,800,540

Sources:

- (1) Weehawken's Annual Debt Statement - June 30, 2016
- (2) Hudson County Treasurer's Office. The County debt was apportioned to Weehawken Township by dividing the Township's 2016 Equalized Value by the total 2016 Equalized Value for Hudson County, which results in an apportionment rate of 4%

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-13

LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2016

		<u>Equalized Valuation Basis</u>
	2014	\$ 2,530,142,098
	2015	2,592,019,018
	2016	<u>2,658,087,930</u>
	[A]	<u>\$ 7,780,249,046</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,593,416,349
Debt limit (4 % of average equalization value)	[B]	103,736,654 ^a
Total Net Debt Applicable to Limit	[C]	<u>80,071,822</u>
Legal debt margin	[B-C]	<u>\$ 23,664,832</u>

	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 104,676,301	\$ 103,736,654	\$ 99,804,515	\$ 95,699,435	\$ 91,849,871	\$ 60,840,222	\$ 60,717,552	\$ 89,026,345	\$ 83,079,701	\$ 74,077,687
Total net debt applicable to limit	<u>9,867,616</u>	<u>10,485,000</u>	<u>11,125,000</u>	<u>12,052,969</u>	<u>12,865,691</u>	<u>13,641,274</u>	<u>14,399,870</u>	<u>14,886,576</u>	<u>7,861,527</u>	<u>8,319,751</u>
Legal debt margin	<u>\$ 94,808,685</u>	<u>\$ 93,251,654</u>	<u>\$ 88,679,515</u>	<u>\$ 83,646,466</u>	<u>\$ 78,984,180</u>	<u>\$ 47,198,948</u>	<u>\$ 46,317,682</u>	<u>\$ 74,139,769</u>	<u>\$ 75,218,174</u>	<u>\$ 65,757,936</u>
Total net debt applicable to the limit as a percentage of debt limit	9.43%	10.11%	11.15%	12.59%	14.01%	22.42%	23.72%	16.72%	9.46%	11.23%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit J-14

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>School District Population</u>
2016	4.80%	N/A	14,592
2015	3.80%	N/A	14,040
2014	4.90%	50,088	13,219
2013	9.30%	47,886	13,049
2012	9.30%	47,819	12,955
2011	9.00%	46,295	12,857
2010	11.40%	44,241	12,568
2009	10.70%	42,181	12,379
2008	4.80%	43,644	12,321
2007	5.90%	40,816	12,275
2006	4.10%	38,902	12,471
2005	4.80%	36,765	12,782

* Per capita income for Hudson County

N/A Not Available

(E) Estimate

- Source: (1) NJ Department of Labor, Office of Planning and Research
 (1) NJ Department of Labor, Bureau of Labor Force Statistics
 (2) US Department of Commerce, Bureau of Economic Analysis
 (3) US Bureau of the Census, Population Division

**WEEHAWKEN BOARD OF EDUCATION
DEMOGRAPHIC & ECONOMIC INFORMATION
CURRENT YEAR AND NINE YEARS AGO**

Exhibit J-15

PRINCIPAL EMPLOYERS

Employer	2016			2007		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
UBS Financial Services	5,000	1	51.16%			
Arcorp Properties	500	2	5.12%			
The Swatch Group US Inc.	440	3	4.50%	350	4	4.72%
New Jersey Department of Transportation	300	4	3.07%	300	6	4.04%
Ceres Marine Terminals Inc.	200	5	2.05%	200	8	2.70%
The Port Authority of New York & NJ	110	6	1.13%			
Chart House Restaurant	100	7	1.02%			
Hanover Direct Incorporated	100	8	1.02%	340	5	4.58%
Houlihan's	100	9	1.02%			
Specialists LTD	100	10	1.02%			
Marine Personnel & Provisioning Inc.				1,270	1	17.12%
Port Imperial Ferry Corp.				700	2	9.44%
Citicorp Data Systems Incorporated				594	3	8.01%
Hartz Mountain Industries Inc.				250	7	3.37%
Citicorp Information Technologies				150	9	2.02%
Qwest Cyber Solutions				150	10	2.02%
	6,950		71.11%	4,304		58.02%

Source: Hudson County Economic Development Corp.

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-16

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION / PROGRAM

<u>FUNCTION / PROGRAM</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction:										
Regular	94	91	91	89	89	89	89	89	89	90
Special education	12	11	10	10	9	8	8	9	10	10
Other special education						-	-	-	-	-
Vocational						-	-	0	-	-
Other instruction	11	11	17	17	17	17	17	17	17	17
Nonpublic school programs						-	-	0	-	-
Adult/continuing education programs						-	-	0	-	-
Support Services:										
Student & instruction related services	39	30	31	31	29	27	33	33	29	30
General administration	5	5	5	5	5	5	5	5	5	5
School administrative services	7	7	7	7	7	7	7	7	7	7
Other administrative services	-	-	1	1	1	1	1	1	1	1
Central services	2	2	2	2	2	3	3	3	3	3
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	12	12	12	11	11	11	11	11	14	15
Pupil transportation	7	7	9	9	9	9	13	9	10	10
Other support services						-	-	-	-	-
Special Schools						-	-	-	-	-
Food Service						-	-	-	-	-
Child Care						-	-	-	-	-
TOTAL FUNCTION / PROGRAM	<u>189</u>	<u>176</u>	<u>185</u>	<u>182</u>	<u>179</u>	<u>177</u>	<u>187</u>	<u>184</u>	<u>185</u>	<u>188</u>

Source: District Personnel Records

**WEEHAWKEN BOARD OF EDUCATION
OPERATING INFORMATION
LAST TEN FISCAL YEARS**

Exhibit J-17

OPERATING STATISTICS

Fiscal Year	Enrollment		Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2016	1,372	\$ 30,027,046	21,886	0.03	127	12.77	9.90	10.17	1,371	1,303	3.24%	95.04%
2015	1,328	28,173,214	21,215	0.09	113	13.41	12.67	10.20	1,328	1,261	1.45%	94.95%
2014	1,309	25,401,490	19,405	(0.04)	118	13.72	13.25	9.62	1,309	1,236	4.05%	94.42%
2013	1,258	25,405,421	20,195	0.05	115	13.05	12.05	9.23	1,258	1,194	1.53%	94.91%
2012	1,239	23,855,881	19,254	0.02	114	8.00	8.80	9.85	1,239	1,183	-0.72%	95.48%
2011	1,248	23,590,341	18,903	0.01	114	12.52	11.23	9.92	1,248	1,177	2.80%	94.31%
2010	1,214	22,646,245	18,654	(0.02)	117	10.97	10.52	9.52	1,214	1,158	3.58%	95.39%
2009	1,172	22,323,397	19,047	0.02	117	10.21	10.10	8.58	1,172	1,116	1.65%	95.22%
2008	1,152	21,453,786	18,623	0.07	116	15.26	11.90	10.37	1,153	1,101	-1.11%	95.49%
2007	1,191	20,743,792	17,417	0.06	117	8.92	13.83	10.78	1,166	1,109	1.04%	95.11%

Sources: District records

Note: Enrollment based on annual October district count.

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

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-18

SCHOOL BUILDING INFORMATION

District Building	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Pre-K thru Grade 2</u>										
Daniel Webster (1939)										
Square Feet	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	35,431	35,431
Capacity (students)	281	281	281	281	281	281	281	281	257	257
Enrollment	445	429	417	405	388	388	384	345	320	332
<u>Grade 3 thru Grade 6</u>										
Theodore Roosevelt (1928)										
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300	56,300	39,669	39,669
Capacity (students)	311	311	311	311	311	311	311	311	283	283
Enrollment	356	380	397	374	348	348	340	318	306	332
<u>Grade 7 thru Grade 12</u>										
Weehawken High School (1939)										
Square Feet	125,600	125,600	125,600	125,600	125,600	125,600	125,600	124,000	83,937	83,937
Capacity (students)	572	572	572	572	572	572	572	572	546	546
Enrollment	560	520	488	480	512	512	505	517	526	527

Number of Schools at June 30, 2014

 Elementary School = 2

 High School = 1

 Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. 2009 Increases in square footage and capacity are the result of new construction.

Capacity of schools are from the Long Range Facilities Plan.

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-19

SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY

Undistributed Expenditures - Required
Maintenance for School Facilities

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
* School Facilities										
1 Building A - High School	\$ 80,340	\$ 86,214	\$ 111,630	\$ 84,475	\$ 77,560	\$ 89,298	\$ 113,591	\$ 96,375	\$ 89,897	\$ 132,577
2 Building B - Webster School	12,153	28,325	48,402	21,945	21,531	34,566	25,489	34,589	31,843	62,520
5 Building C - Roosevelt School	10,660	15,802	27,837	18,013	35,899	13,696	42,725	10,411	18,686	21,818
Total School Facilities	103,153	130,341	187,869	124,433	134,990	137,560	181,805	141,375	140,426	216,915
Other Facilities - District-wide	-	-	-	-	-	-	-	-	-	-
Grand Total	\$ 103,153	\$ 130,341	\$ 187,869	\$ 124,433	\$ 134,990	\$ 137,560	\$ 181,805	\$ 141,375	\$ 140,426	\$ 216,915

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

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
AT JUNE 30, 2016
(Unaudited)

Exhibit J-20

INSURANCE SCHEDULE

	<u>Coverage</u>	<u>Deductible</u>
Property (1)		
Real and personal property	\$ 400,000,000	\$ 5,000
Extra expense	50,000,000	5,000
Flood zones- Special Flood Hazard Area	20,000,000	500,000
All other flood zones	75,000,000	10,000
Earthquake	50,000,000	n/a
Demolition and increased cost of construction	25,000,000	n/a
Fire department service charge	10,000	n/a
Arson reward	10,000	n/a
Pollutant cleanup and removal	250,000	n/a
Valuable papers & records	10,000,000	5,000
General liability (1)		
Bodily injury & property damage, products / completed Operations; personal and advertising injury / sexual abuse	16,000,000	n/a
Employee benefits liability	16,000,000	1,000
Premises medical payments	10,000	n/a
	per accident	
Terrorism	1,000,000	n/a
Business auto (1)		
Combined single limit for bodily injury and property damage	16,000,000	1,000
Uninsured/underinsured motorists - private passenger auto	1,000,000	
Uninsured/underinsured motorists - all other vehicles	15,000	per person
	30,000	per accident
	5,000	per accident
Personal injury protection (including pedestrians)	250,000	
Medical payments	5,000 - 10,000	
Hired car physical damage	110,000	1,000
Crime (1)		
Public employee dishonest with faithful performance	250,000	1,000
Theft, disappearance and destruction-money & securities	25,000	500
Forgery or alteration	250,000	1,000
Theft, disappearance and destruction - money orders & counterfeit & paper currency	100,000	1,000
Computer fraud	25,000	500
Electronic data processing (1)		
Blanket hardware / software	1,160,480	1,000
Coverage extensions:		
Transit	25,000	1,000
Loss of income	10,000	1,000
Boiler & machinery (1)		
Equipment breakdown	100,000,000	5,000
Surety bonds (1)		
Treasurer	250,000	1,000
Board secretary	250,000	1,000
Student accident		
All students incl sports, football K-12	5,000,000	25,000
Accident medical for volunteer workers	25,000	250
School leaders errors and omissions	16,000,000	5,000

(1) New Jersey School Boards Association Insurance Group Serviced by Brown & Brown Metro, Inc.

Source: district records

SINGLE AUDIT SECTION

Independent Auditor's 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
Weehawken School District
County of Hudson
Weehawken, New Jersey

We have audited , in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements (the "financial statements"), and have issued our report thereon dated November 11, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

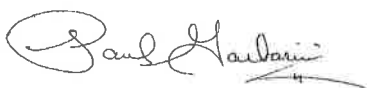
We noted certain matters that we reported to the District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 11, 2016.

Board of Education of the Weehawken School District Response to Findings

The District response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 2415



Garbarini & Co. P.C. CPAs
Carlstadt, New Jersey

November 11, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
REQUIRED BY OMB UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08**

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *N.J. State Office of Management and Budget's (OMB) State Grant Compliance Supplement 15-08* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedules 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 federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and *N.J. OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, *Uniform Guidance and State Circular 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we consider necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 federal and state program and to test and report on internal control over compliance in accordance with *Uniform Guidance and N.J. Circular 15-08*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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, material weaknesses may exist that have been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the District as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report dated November 11, 2016 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the Uniform Guidance and schedule of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 2415



Garbarini & Co. P.C. CPAs
Carlstadt, New Jersey

November 11, 2016

WEEKHAWKEN BOARD OF EDUCATION
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Exhibit K-3
Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Year's Balances	(Accounts Receivable) June 30, 2016	Deferred Revenue	Due to Grantor June 30, 2016
U.S. Department of Agriculture															
Passed-through State Dept. of Agriculture															
<u>Enterprise Fund</u>															
Food Donation Program	10.555	1616NJ304N1099	N/A	\$ 39,041	07/01/15	06/30/16	\$ -	\$ -	\$ 39,041	\$ (39,041)	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	1616NJ304N1099	N/A	223,314	07/01/15	06/30/16			182,138	(223,314)			(41,176)		
National School Lunch Program	10.555	1616NJ304N1099	N/A	212,935	07/01/14	06/30/15	(13,919)		13,919						
After School Snack Program	10.555	1616NJ304N1099	N/A	12,486	07/01/14	06/30/15	(483)		483						
National School Breakfast Program	10.553	1616NJ304N1099	N/A	33,257	07/01/15	06/30/16			26,272	(33,257)			(6,985)		
National School Breakfast Program	10.553	1616NJ304N1099	N/A	36,318	07/01/14	06/30/15	(3,364)		3,364						
Total U.S. Department of Agriculture							(17,766)	-	265,217	(295,612)	-	-	(48,161)	-	-
U.S. Department of Education															
Passed-through State Dept. of Education															
<u>Special Revenue Fund</u>															
Title I, Part A	84.010A	S010A150030		423,510	07/01/15	06/30/16			212,721	(423,510)			(210,789)		
Title I, Part A	84.010A	S010A150030		420,864	07/01/14	06/30/15	(196,910)		196,910						
Title II Part A, Improving Teacher Quality State Grant	84.367A	S367B150029		65,152	07/01/15	06/30/16			37,755	(65,152)			(27,397)		
Title II Part A, Improving Teacher Quality State Grant	84.367A	S367B150029		66,277	07/01/14	06/30/15	(29,641)		29,641						
Title III English Language Acquisition State Grants	84.365A	S365A150030		15,329	07/01/15	06/30/16			4,497	(15,329)			(10,832)		
Title III English Language Acquisition State Grants	84.365A	S365A150030		11,760	07/01/14	06/30/15	(9,342)		9,342						
Title III Immigrant	84.365A	S365A150030		12,677	07/01/15	06/30/16			-	(12,677)			(12,677)		
Title III Immigrant	84.365A	S365A150030		329,848	07/01/15	06/30/16			270,122	(329,848)			(59,726)		
I.D.E.A. Part B, Basic Regular	84.027	H027A150100		315,811	07/01/14	06/30/15	(98,665)		98,665						
I.D.E.A. Part B, Basic Regular	84.027	H027A150100		10,144	07/01/15	06/30/16			10,144	(10,144)					
I.D.E.A. Part B, Preschool	84.173	H173A150114		9,761	07/01/14	06/30/15	(9,761)		9,761						
I.D.E.A. Part B, Preschool	84.173	H173A150114													
Subtotal for I.D.E.A. Cluster							(108,426)		388,692	(339,992)	1		(59,726)		
Total U.S. Department of Education							(344,319)	-	879,558	(856,660)	-	-	(321,421)	-	-
U.S. Dept. of Health and Human Services															
Passed-through State Dept. of Education															
<u>General Fund</u>															
Medical Assistance Program	93.778		N/A	41,648	07/01/15	06/30/16			41,648	(41,648)					
Total U.S. Dept. of Health and Human Serv.									41,648	(41,648)					
Total Federal Financial Awards							\$ (362,085)	\$ -	\$ 1,186,423	\$ (1,193,920)	\$ -	\$ -	\$ (369,582)	\$ -	\$ -

See independent auditor's report and notes to the financial statements

WEEKHAWKEN BOARD OF EDUCATION
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Exhibit K-4
Schedule B

State Grantor Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Year's Balances	Balance at June 30, 2016			Memo	
			From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Agriculture																	
<u>Enterprise Fund</u>																	
State School Lunch Program	16-100-010-3350-023	\$ 5,683	07/01/15	06/30/16		\$ -	\$ -	\$ -	\$ 4,640	\$ (5,683)	\$ -	\$ -	\$ (1,043)	\$ -	\$ -	\$ -	\$ 5,683
State School Lunch Program	15-100-010-3350-023	5,870	07/01/14	06/30/15	(360)	-	-	-	533	(173)	-	-	-	-	-	-	173
Total State Department of Agriculture					(360)	-	-	-	5,173	(5,856)	-	-	(1,043)	-	-	-	5,856
State Department of Education																	
<u>General Fund</u>																	
Extraordinary Aid	16-100-034-5120-044	203,233	07/01/15	06/30/16						(203,233)			(203,233)				203,233
Extraordinary Aid	15-100-034-5120-044	274,167	07/01/14	06/30/15	(274,167)	-	-	-	274,167		-	-	-	-	-	-	-
Special Education Aid	16-495-034-5120-089	724,050	07/01/15	06/30/16					724,050	(724,050)			-				724,050
Security Aid	16-495-034-5120-084	352,479	07/01/15	06/30/16					317,232	(352,479)			(35,247)				352,479
Security Aid	15-495-034-5120-084	352,479	07/01/14	06/30/15	(84,567)	-	-	-	84,567		-	-	-	-	-	-	-
Adjustment Aid	16-495-034-5120-085	1,441,112	07/01/15	06/30/16					1,310,671	(1,441,112)			(130,441)				1,441,112
Adjustment Aid	15-495-034-5120-085	1,441,112	07/01/14	06/30/15	(69,012)	-	-	-	69,012		-	-	-	-	-	-	-
Transportation Aid	16-495-034-5120-014	150,390	07/01/15	06/30/16					138,421	(150,390)			(11,969)				150,390
Transportation Aid	15-495-034-5120-014	150,390	07/01/14	06/30/15	(12,041)	-	-	-	12,041		-	-	-	-	-	-	-
Social Security Tax	16-495-034-5094-003	616,320	07/01/15	06/30/16					628,142	(661,320)			(33,178)				661,320
Social Security Tax	15-495-034-5094-003	647,755	07/01/14	06/30/15	(31,505)	-	-	-	31,505		-	-	-	-	-	-	-
Teachers' Pension and Annuity Fund - Post Retirement Medical	16-495-034-5094-001	853,911	07/01/15	06/30/16					853,911	(853,911)			-				853,911
Teachers' Pension and Annuity Fund	16-495-034-5094-002	717,135	07/01/15	06/30/16					717,135	(717,135)			-				717,135
PARCC Readiness Aid	16-495-034-5120-098	12,510	07/01/15	06/30/16					11,268	(12,510)			(1,242)				12,510
PARCC Readiness Aid	15-495-034-5120-098	12,510	07/01/14	06/30/15	(1,350)	-	-	-	1,350		-	-	-	-	-	-	-
PARCC - Growth Aid	16-495-034-5120-097	12,510	07/01/15	06/30/16					11,268	(12,510)			(1,242)				12,510
PARCC - Growth Aid	15-495-034-5120-097	12,510	07/01/14	06/30/15	(1,350)	-	-	-	1,350		-	-	-	-	-	-	-
<u>General Fund Subtotal</u>					(473,992)	-	-	-	5,186,090	(5,128,650)	-	-	(416,552)	-	-	-	5,128,650
<u>Social Revenue Fund</u>																	
Preschool Education Aid	16-495-034-5120-025	583,282	07/01/15	06/30/16				81,908	527,123	(585,156)				23,875		56,159	585,156
Preschool Education Aid	15-495-034-5120-025	578,756	07/01/14	06/30/15		24,018	-	(81,908)	57,890								-
<u>Social Revenue Fund Subtotal</u>						24,018	-	-	585,013	(585,156)	-	-	-	23,875	-	56,159	585,156
<u>Debt Service Fund</u>																	
Debt Service Aid Type II	16-495-034-5120-017	166,969	07/01/15	06/30/16					166,149	(166,149)							166,149
<u>Debt Service Fund Subtotal</u>									166,149	(166,149)							166,149
Total State Department of Education					(474,352)	24,018	-	-	5,942,425	(5,885,811)	-	-	(417,595)	23,875	-	56,159	5,885,811
State Department of Health Passed-through Hudson County Dept. of Human Services																	
<u>Special Revenue Fund</u>																	
NJEIF Safety Grant Program	N/A	7,424	07/01/15	06/30/16				428	7,913	(7,424)				917			7,424
NJEIF Safety Grant Program	N/A	5,727	07/01/09	06/30/10		35	-	(35)									-
NJEIF Safety Grant Program	N/A	7,508	07/01/14	06/30/15		393	-	(393)									-
Total State Department of Health						428	-	-	7,913	(7,424)	-	-	-	917	-	-	7,424
Total State Financial Assistance					\$ (474,352)	\$ 24,446	\$ -	\$ -	\$ 5,950,338	\$ (5,893,235)	\$ -	\$ -	\$ (417,595)	\$ 24,792	\$ -	\$ 56,159	\$ 5,893,235

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit K-5

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Weehawken School District (the "District"). The District is defined in Note 1 to the 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 is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. and N.J. OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in 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 grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$11,821) for the general fund and \$9,239 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures are reported in the Board's basic financial statements on a GAAP basis as presented as follow:

	Federal	State	Total
General Fund	\$ 41,648	\$ 5,128,650	\$ 5,170,298
Special Revenue Fund	856,660	592,580	1,449,240
Debt Service Fund		166,149	166,149
Food Service Fund	295,612	5,856	301,468
Total Awards & Financial Assistance	\$ 1,193,920	\$ 5,893,235	\$ 7,087,155

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit K-5

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 6. ADJUSTMENTS

Amounts reported in the accompanying financial schedules under the column heading for adjustments represent fiscal year 2015 encumbrances, which were canceled in fiscal year 2016, canceled receivables and or state aid deductions not received in cash, or amounts transferred to General Fund deferred revenue. Canceled encumbrances totaled \$0, canceled receivables totaled \$0, state aid deductions not received in cash totaled \$884,818 and amounts transferred to General Fund revenue totaled \$0.

**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit K-6

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

Internal Control over Major Programs

1) Material weakness identified

 Yes X No

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

 Yes X 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 NJOMB Circular Letter 15-08?

 Yes X No

Identification of major programs:

	<u>State Grant/ Project Number</u>	<u>Name of State Program</u>
(Type B)	<u>16-100-034-5120-044</u>	<u>Extraordinary Aid</u>
(Type B)	<u>16-495-034-5120-089</u>	<u>Special Education Aid</u>
(Type B)	<u>16-495-034-5120-084</u>	<u>Security Aid</u>
(Type A)	<u>16-495-034-5120-085</u>	<u>Adjustment Aid</u>
(Type B)	<u>16-495-034-5120-014</u>	<u>Transportation Aid</u>
(Type B)	<u>16-495-034-5094-003</u>	<u>Social Security Tax</u>
(Type B)	<u>16-495-034-5120-025</u>	<u>Preschool Education Aid</u>

**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit K-6

Section II – Financial Statement Findings

[This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in the Uniform Guidance and NJ OMB Circular 15-08. See paragraphs 13.15 and 13.35. See the AICPA Audit Guide *Government Auditing Standards and Uniform Guidance Audits* for further guidance on this schedule]

“No matters reported”

Section III – Federal Awards and State Financial Assistance Findings and Questioned Cost

[This section identifies audit findings required to be reported by 2 CFR section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular 15-08, as applicable.

FEDERAL AWARDS

“No matters reported”

STATE AWARDS

“No matter reported”

**WEEHAWKEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS OF PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit K-7

[This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (section .511(a)(b)) and NJ OMB's Circular Letter 04-04 and or 15-08, as applicable].

National School Snack Program

10.555

Finding 2015-001:

Condition:

The district was not aware that the "at risk rate" was no longer applicable and claimed all its snacks as free, which resulted in an over claim of \$6,656.01.

Current Status:

Corrective action has been taken.