

SCHOOL DISTRICT
OF
BOROUGH OF WOODBINE

Borough of Woodbine Board of Education
Woodbine, New Jersey

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Borough of Woodbine Board of Education

Woodbine, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Borough of Woodbine Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE BOROUGH OF WOODBINE BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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INTRODUCTORY SECTION

WOODBINE BOARD OF EDUCATION

801 Webster Street
Woodbine, New Jersey 08270

November 11, 2016

Honorable President and
Members of the Board of Education
Borough of Woodbine School District
County of Cape May

Dear Board Members:

The Comprehensive Annual Financial Report of the Borough of Woodbine School District for the fiscal year ending 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State of New Jersey Treasury Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of the report.

1. REPORTING ENTITY AND ITS SERVICES:

The Borough of Woodbine School District is an independent reporting entity within the criteria adopted by GASB as established by GASB Statement 14. All funds of the District are included in this report. The Borough of Woodbine Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2015-16 fiscal year with an enrollment of 212 students, which is 6 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Year</u>	<u>Enrollment</u>	<u>Change from Prior Year</u>
2015-16	212	2.91%
2014-15	206	*-2.83%
2013-14	212	*-3.64%
2012-13	220	*4.20%
2011-12	211	*-2.76%
2010-11	217	*-4.41%
2009-10	227	*6.57%
2008-09	213	14.52%
2007-08	186	-11.85%
2006-07	211	-0.94%

*Actual Enrollment as of June 30.

2 ECONOMIC CONDITION AND OUTLOOK:

The Borough of Woodbine continued to experience slow economic development during the past year. The district's status as a district in severe need is primarily due to a higher than average number of low- income families, a higher than average transient student population and a decrease in ratables.

The economic outlook for the Borough of Woodbine remains status quo. The Stockton College expansion of the Azeez Museum was completed and the Borough is continuing work on the pipeline project throughout the Borough.

3 MAJOR INITIATIVES:

The education of our children remains the top priority for the District. During the past year, the district continued to make changes in all curriculum areas in response to the implementation of the New Jersey Common Core Standards and the new teacher and principal evaluation tools.

During the past year, the district was in the fourth year of the choice school program. In 2015-16 the district had 4 choice students from other districts.

Also, during the 2015-16 school-year, the district continued the Free Breakfast Program where nutritious breakfasts are offered to all students before classes each day.

4 INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and 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 assignments to fund balance at June 30, 2016.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management and improve its financial position.

8. DEBT ADMINISTRATION:

At June 30, 2016, the District's outstanding debt issues included \$2,712,000 of school bonds.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in 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.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

12 ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Borough of Woodbine Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated service of our staff.

Respectfully submitted:

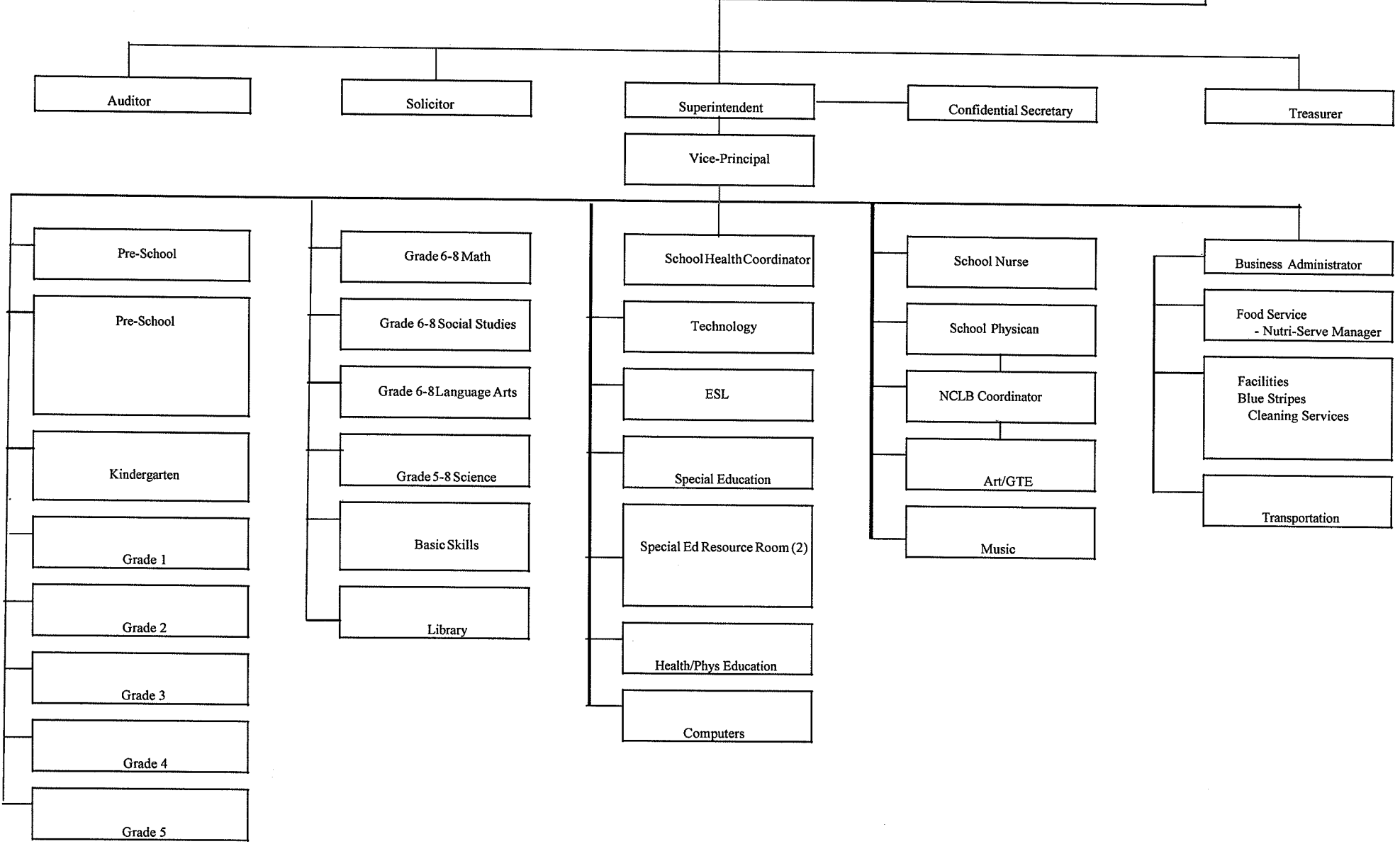
Anthony DeVico

Anthony DeVico
Principal/Superintendent

Darren Harris

Darren Harris
Board Secretary/
Business Administrator

Woodbine Board of Education



BOROUGH OF WOODBINE
BOARD OF EDUCATION
WOODBINE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Melissa Rodriguez, President	2016
Adelina Feliciano	2016
Heather Watkins-Jones	2016
Janita Hutchinson	2017
Victoria London	2017
Miriam Vives-Rivera	2017
Donald Jenkins	2018
Gregory Hudgins	2018
Rochelle Andress-Beachaump (to 5/17/16)	2016

OTHER OFFICIALS

Anthony DeVico, Principal/Superintendent (From: May 18, 2016)

Dennis Anderson, Interim Superintendent (To: May 17, 2016)

Darren Harris, Business Administrator/Board Secretary

Frank Onorato, Treasurer of School Monies

Susan Hodges, Esq., Solicitor (From: July 1, 2016)

David A. Rapuano, Esq., Solicitor (To: June 30, 2016)

BOROUGH OF WOODBINE BOARD OF EDUCATION
COUNTY OF CAPE MAY
WOODBINE, NJ

CONSULTANTS AND ADVISORS

ATTORNEY

David A. Rapuano
Archer & Greiner, PC
One Centennial Square
Haddonfield, NJ 08033

Susan Hodges
Simon, Schwartz, Edelstein and Celso, LLC
100 S Jefferson Rd #200
Whippany, NJ 07981

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

OFFICIAL DEPOSITORY

Sturdy Savings Bank
506 S. Main Street
P.O. Box 900
Cape May Court House, New Jersey 08210

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 11, 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Woodbine School District
County of Cape May, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Woodbine, New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 Borough of Woodbine Board of Education, Woodbine, New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the 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, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodbine Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

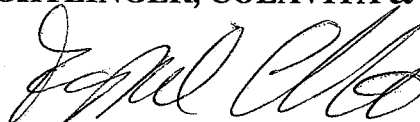
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016 on our consideration of the Borough of Woodbine Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Borough of Woodbine Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net position increased \$282,830 which represents an increase of 17.95% percent from 2015.
- General revenues accounted for \$5,627,079 of total revenue or 78.86% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions and capital grants and contributions accounted for \$1,508,687 or 21.14% of total revenues of \$7,135,766.
- Total assets of governmental activities decreased by \$552,232, as capital assets decreased by \$238,826, cash decreased by \$26,877, and receivables decreased by \$286,528.
- The School District had \$6,831,396 in expenses; only \$1,508,687 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$5,317,173 were used to provide for these programs.
- Among governmental funds, the General Fund had \$5,185,449 in revenues and \$5,036,564 in expenditures. The General Fund's fund balance increased \$202,547 from 2016.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School 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 School District's most significant funds with all other non-major funds presented in total in one column. In the case of Borough of Woodbine School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental Activities** – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Latchkey and Food Service enterprise funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. 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 School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

Notes to the Financial Statements

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

Net position: The District's governmental activities net position increased \$281,049 between fiscal years 2015 and 2016. The business-type activities net assets decreased \$1,781 due to operating costs in excess of revenues. Net position as of July 1, 2015 had been restated as required by implementation of GASB 68.

	Governmental Activities		Business-Type Activities		Business-Type Activities	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 986,235	\$ 1,211,197	\$ 6,967	\$ (12,574)	\$ 993,202	\$ 1,198,623
Capital Assets, Net	5,873,948	6,112,775	129,515	144,337	6,003,463	6,257,112
Total Assets	6,860,183	7,323,972	136,482	131,763	6,996,665	7,455,735
Liabilities						
Long-term Liabilities	3,532,719	3,683,524			3,532,719	3,683,524
Other Liabilities	1,602,418	2,196,450	3,322	384	1,605,740	2,196,834
Total Liabilities	5,135,137	5,879,974	3,322	384	5,138,459	5,880,358
Net Position						
Invested in Capital Assets	3,161,949	3,154,582	129,515	144,337	3,291,464	3,298,919
Restricted	(18,211)	(57,757)	3,645		(14,566)	(57,757)
Unrestricted	(1,418,692)	(1,652,827)		(12,958)	(1,418,692)	(1,665,785)
Total Net Position	\$ 1,725,046	\$ 1,443,998	\$ 133,160	\$ 131,379	\$ 1,858,206	\$ 1,575,377

Changes in net position: The total general fund revenue of the District increased approximately \$458,818 due to an increase in federal and state aid. The local tax levy is 28.88% of total revenues. The municipality levies this tax on properties located in the Borough and remits the collections on a monthly basis to the District.

Approximately 62.96% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the Districts enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration and plant operations.

	2016		2015	
	Amount	Percentage	Amount	Percentage
Property Taxes	\$ 1,625,131	\$ 22.77%	\$ 1,569,657	\$ 26.14%
Unrestricted Federal and State Aid	3,539,214	49.60%	3,331,013	55.74%
Restricted Federal and State Aid	152,828	2.14%	150,922	2.56%
Miscellaneous	309,906	4.34%	116,660	1.35%
Operating Grants and Contributions	1,508,687	21.14%	1,180,809	14.21%
Totals	\$ 7,135,766	\$ 100.00%	\$ 6,349,061	\$ 100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2016 and 2015 fiscal years.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenue						
Charges for Services	\$	\$	\$ 30,518	\$ 36,792	\$ 30,518	\$ 36,792
Federal and State Grants	1,340,300	1,179,783	137,869	141,122	1,478,169	1,320,905
General Revenues						0
Property Taxes	1,625,131	1,569,657			1,625,131	1,569,657
Federal/State Aid Entitlement	3,692,042	3,481,935			3,692,042	3,481,935
Miscellaneous	272,477	116,660		9	272,477	116,669
Total Revenues	6,929,950	6,348,035	168,387	177,923	7,098,337	6,525,958
Expenses						
Instruction						
Regular	1,694,525	1,882,799			1,694,525	1,882,799
Special Education	406,243	444,434			406,243	444,434
Other Instruction	35,088	37,471			35,088	37,471
Support Services						
Instruction	2,090,005	1,412,240			2,090,005	1,412,240
Student & Instruct Related	748,886	812,428			748,886	812,428
General Admin Services	386,324	511,718			386,324	511,718
School Admin Services	278,424	297,503			278,424	297,503
Plant Operations/Maint	464,928	341,770			464,928	341,770
Pupil Transportation	436,661	396,631			436,661	396,631
Unallocated Interest Expense	91,431	97,681			91,431	97,681
Capital Outlay	16,386	16,386			16,386	16,386
Business Type Activities			182,495	199,038	182,495	199,038
Total Expenses	6,648,901	6,251,061	182,495	199,038	6,831,396	6,450,099
Excess (Deficiency) before Extraordinary/Special Items	281,049	96,974	(14,108)	(21,115)	266,941	75,859
Prior Year Adjustments			15,889		15,889	0
Increase (Decrease) in Net Position	\$ 281,049	\$ 96,974	\$ 1,781	\$ (21,115)	\$ 282,830	\$ 75,859

Business-type Activities

Operating revenues of the District's business-type activities decreased by \$9,536 over the previous year and expenditures decreased by \$16,543.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined deficit in fund balance of \$(660,610) which is \$244,505 higher than the beginning of the year. This is mainly a result of the district strictly limiting spending.

General Fund Budgetary Highlights

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

Capital Assets

At the end of the fiscal year 2016, the School District had \$6,003,464 invested in land, building and machinery and equipment. The following shows fiscal year 2016 balances compared to 2015.

Capital Assets (Net of Depreciation) at June 30

	2016	2015
Land and Building Improvements	1	\$ 1
Building and Building Improvements	5,849,925	6,081,324
Machinery and Equipment	153,538	174,947
Total	\$ 6,003,464	\$ 6,256,272

Overall capital assets decreased \$252,808 from fiscal year 2015 to fiscal year 2016. The decrease in capital assets is due depreciation in addition inventory adjustments during the current year. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2016, the School District had \$4,117,719 of outstanding debt. Of this amount, \$105,292 is for compensated absences, \$715,427 is for net pension liability, and \$2,712,000 is the serial bonds that were issued in 2010. There is also a Loan payable to the State of New Jersey for Advanced State Aid in the amount of \$585,000.

For the Future

The Borough of Woodbine School District is in good financial condition presently. The School District is proud of its community support of the public schools.

The District continues to provide quality education programs while continuing to stabilize the tax rate in Borough of Woodbine. In conclusion, the Borough of Woodbine School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Darren Harris, Business Administrator at Borough of Woodbine School District, 801 Webster Street, Borough of Woodbine, New Jersey 08270.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 180,713	\$ (9,120)	\$ 171,593
Receivables, net	666,083	10,231	676,314
Due from Trust & Agency Funds	6,953	460	7,413
Inventory		5,396	5,396
Capital assets, not depreciated	1		1
Capital assets, net	5,873,948	129,515	6,003,463
Total Assets	<u>6,727,698</u>	<u>136,482</u>	<u>6,864,180</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	132,485		132,485
Total Deferred Outflows of Resources	<u>132,485</u>		<u>132,485</u>
LIABILITIES			
Accounts payable	16,673		16,673
Other Current Liabilities		3,322	3,322
Accrued Interest Payable	29,044		29,044
Payable to state government	585,000		585,000
Loan Payable	884,525		884,525
Unearned revenue	28,161		28,161
Noncurrent liabilities:			
Due within one year	220,000		220,000
Due beyond one year	2,597,292		2,597,292
Net pension liability	715,427		715,427
Total liabilities	<u>5,076,122</u>	<u>3,322</u>	<u>5,079,444</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	59,015		59,015
Total Deferred Inflows of Resources	<u>59,015</u>		<u>59,015</u>
NET POSITION			
Invested in capital assets, net of related debt	3,161,949	129,515	3,291,464
Restricted	(18,211)		(18,211)
Unrestricted	(1,418,692)	3,645	(1,415,047)
Total net position	<u>\$ 1,725,046</u>	<u>\$ 133,160</u>	<u>\$ 1,858,206</u>

See Accompanying Notes to the Financial Statements

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Changes in Net Position
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 1,465,048	\$ 229,477	\$ -	\$ 345,764	\$ (1,348,761)	\$ -	\$ (1,348,761)
Special education	335,758	70,485			(406,243.00)		(406,243.00)
Other instruction	28,902	6,186			(35,088)		(35,088)
Support services:							
Tuition	1,717,040	372,965			(2,090,005)		(2,090,005)
Student & instruction related services	703,912	44,974		308,632	(440,254)		(440,254)
General and central administrative services	298,889	87,435			(386,324)		(386,324)
School administrative services	256,193	22,231		685,904	407,480		407,480
Plant operations and maintenance	412,704	52,224			(464,928)		(464,928)
Pupil transportation	355,674	80,987			(436,661)		(436,661)
Unallocated benefits	966,964	(966,964)					
Unallocated interest expense	91,431				(91,431)		(91,431)
Unallocated capital outlay	16,386				(16,386)		(16,386)
Total governmental activities	6,648,901			1,340,300	(5,308,601)		(5,308,601)
Business-type activities:							
Food Service	173,424		19,652	137,869		(15,903)	(15,903)
Child Care	9,071		10,866			1,795	1,795
Total business-type activities	182,495		30,518	137,869		(14,108)	(14,108)
Total primary government	\$ 6,831,396	\$ -	\$ 30,518	\$ 1,478,169	\$ (5,308,601)	\$ (14,108)	\$ (5,322,709)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 1,473,417	\$ -	\$ 1,473,417
Property taxes, levied for debt service					151,714		151,714
Federal and State aid not restricted					3,539,214		3,539,214
Federal and State aid - restricted for specific purpose					152,828		152,828
Other Local revenues					4,039		4,039
Miscellaneous Income					175,230	8	175,238
Special Items and Transfers:							
Transfer					(31,901)	31,179	(722)
Prior Year Accounts Payable Adjustments					130,629		130,629
Prior Year Grant Adjustments					(5,520)		(5,520)
Prior Year Accounts Receivable Adjustments						(13,484)	(13,484)
Inventory and Equipment						(1,814)	(1,814)
Total general revenues, special items, extraordinary items and					5,589,650	15,889	5,605,539
Change in Net Position					281,049	1,781	282,830
Net Position—beginning					1,443,997	131,379	1,575,376
Net Position—ending					\$ 1,725,046	\$ 133,160	\$ 1,858,206

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

BOROUGH OF WOODBINE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 67,191	\$	\$ 93,704	\$ 160,895
Due from other funds	209,378			209,378
Receivables from other governments	16,051	71,168	561,991	649,210
Other Receivables	16,873			16,873
Total assets	309,493	71,168	655,695	1,036,356
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	16,673			16,673
Due to other funds		93,651	88,956	182,607
State Aid Loan Payable	585,000			585,000
Loan Payable	299,575		584,950	884,525
Unearned revenue		28,161		28,161
Total liabilities	901,248	121,812	673,906	1,696,966
Fund Balances:				
Restricted for:				
Capital Projects			(18,211)	(18,211)
Assigned to:				
Encumbrances	96,979			96,979
Unreserved, reported in:				
General fund	(688,734)			(688,734)
Special revenue fund		(50,644)		(50,644)
Debt Service fund				
Total Fund balances	(591,755)	(50,644)	(18,211)	(660,610)
Total liabilities and fund balances	\$ 309,493	\$ 71,168	\$ 655,695	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of Assets is \$9,350,218 and the accumulated depreciation is \$3,476,269 (See Note)

Pension liabilities net of deferred inflows and outflows

Long-term liabilities, including bonds payable and compensated absences, and accrued interest, are not due and payable in the current period and therefore are not reported in the current period and therefore are not reported in the funds.

Net position of governmental activities

\$ 1,725,046

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<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 tax levy	\$ 1,473,417	\$	\$	\$ 151,714	\$ 1,625,131
Homeless Tuition	16,873				16,873
Miscellaneous	158,356		1		158,357
Local sources		10,000		4,039	14,039
State sources	3,536,803	503,437		152,828	4,193,068
Federal sources		291,969			291,969
Total revenues	<u>5,185,449</u>	<u>805,406</u>	<u>1</u>	<u>308,581</u>	<u>6,299,437</u>
EXPENDITURES					
Current:					
Regular instruction	999,766	345,764			1,345,530
Special education instruction	300,736				300,736
Other instruction	25,543				25,543
Support services and undistributed costs:					
Tuition	1,532,253				1,532,253
Student & instruction related services	187,959	308,632			496,591
General administrative services	232,133				232,133
School administrative services	94,764	148,599			243,363
Central Services	116,238				116,238
Administrative Info. Technology	21,538				21,538
Plant operations and maintenance	226,735				226,735
Pupil transportation	315,549				315,549
Unallocated Benefits	966,964				966,964
Debt Service:					
Principal				215,000	215,000
Interest				93,581	93,581
Capital outlay	16,386				16,386
Total expenditures	<u>5,036,564</u>	<u>802,995</u>	<u></u>	<u>308,581</u>	<u>6,148,140</u>
Excess (Deficiency) of revenues over expenditures	<u>148,885</u>	<u>2,411</u>	<u>1</u>	<u></u>	<u>151,297</u>
OTHER FINANCING (USES)					
Cancellation of prior year payables	132,079		(1,450)		130,629
Cancellation of prior Year Grants	(5,520)				(5,520)
Transfers	(72,897)		40,996		(31,901)
Total other financing and uses	<u>53,662</u>	<u></u>	<u>39,546</u>	<u></u>	<u>93,208</u>
Net change in fund balances	<u>202,547</u>	<u>2,411</u>	<u>39,547</u>	<u></u>	<u>244,505</u>
Fund balance—July 1	(794,302)	(53,055)	(57,758)		(905,115)
Fund balance—June 30	<u>\$ (591,755)</u>	<u>\$ (50,644)</u>	<u>\$ (18,211)</u>	<u>\$ -</u>	<u>\$ (660,610)</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Changes in Net Position
For the Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2)		\$ 244,505
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Repayment of long term debt is 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.		215,000
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	Depreciation expense \$ (238,826) Capital outlays <u> </u>	(238,826)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		67,715
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.		(9,495)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		2,150
Change in net position of governmental activities		\$ <u>281,049</u>

PROPRIETARY FUNDS

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2016

	<u>Non-Major Funds</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,698	\$ 10,698
Accounts receivable:		
Federal	6,435	6,435
State	84	84
Other	3,712	3,712
Interfund	460	460
Inventories	5,396	5,396
Total current assets	<u>26,785</u>	<u>26,785</u>
Noncurrent assets:		
Furniture, machinery & equipment	194,511	194,511
Less accumulated depreciation	(64,996)	(64,996)
Total noncurrent assets	<u>129,515</u>	<u>129,515</u>
Total assets	<u>\$ 156,300</u>	<u>\$ 156,300</u>
LIABILITIES		
Current liabilities:		
Other Current Liabilities	\$ 3,322	\$ 3,322
Due to other funds	19,818	19,818
Total current liabilities	<u>23,140</u>	<u>23,140</u>
Total liabilities	<u>\$ 23,140</u>	<u>\$ 23,140</u>
NET POSITION		
Invested in capital assets net of related debt	\$ 129,515	\$ 129,515
Unrestricted/(deficit)	3,645	3,645
Total net position	<u>\$ 133,160</u>	<u>\$ 133,160</u>

See Accompanying Notes to the Financial Statements

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Non-Major Funds	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales	\$ 15,366	\$ 15,366
Latchkey program revenue	10,866	10,866
Miscellaneous	4,286	4,286
Total operating revenues	30,518	30,518
 Operating expenses:		
Salaries	58,355	58,355
Employee Benefits	10,577	10,577
Supplies and materials	5,170	5,170
Direct Expenses	5,471	5,471
Management Fee	14,500	14,500
Cost of Sales	74,439	74,439
Depreciation	13,983	13,983
Total Operating Expenses	182,495	182,495
Operating (loss)	(151,977)	(151,977)
 Nonoperating revenues (expenses):		
State sources:		
State school lunch program	1,615	1,615
Federal sources:		
National school lunch program	77,842	77,842
National school breakfast program	44,324	44,324
School snack program	3,608	3,608
Food distribution program	10,480	10,480
Interest and investment revenue	8	8
Total nonoperating revenues	137,877	137,877
 Profit/(Loss) before contributions & transfers	(14,100)	(14,100)
Cancellation of prior year receivables	(13,484)	(13,484)
Cancellation of inventory and equipment	(1,814)	(1,814)
Operating Transfer - General Fund	31,901	31,901
Operating Transfer - Student Activity	(722)	(722)
Change in Net Position	1,781	1,781
Total Net Position - Beginning	131,379	131,379
Total Net Position—Ending	\$ 133,160	\$ 133,160

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Non-Major Funds	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 30,518	\$ 30,518
Payments to employees	(73,444)	(73,444)
Payments to cost of sales	(98,532)	(98,532)
	(141,458)	(141,458)
Net cash (used) for operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from local, state and federal reimbursements	127,389	127,389
Cancellation of Prior Year Receivables	(15,298)	(15,298)
Cash received from board subsidy	31,901	31,901
Transfer to Student Activity	(722)	(722)
	143,270	143,270
Net cash provided by non-capital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Transfer (to)/from other funds		
Net cash used in capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	8	8
Net cash provided by investing activities	8	8
Net increase/(decrease) in cash and cash equivalents	1,820	1,820
Balances—beginning of year	8,878	8,878
Balances—end of year	\$ 10,698	\$ 10,698
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (151,977)	\$ (151,977)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities		
Depreciation	13,983	13,983
Federal Commodities	10,480	10,480
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	13,440	13,440
(Increase)/Decrease in Inventory	1,199	1,199
(Increase)/Decrease in Interfund Receivable	(460)	(460)
(Increase)/Decrease in Fixed Assets	840	840
Increase/(Decrease) in Interfund Payable	(31,901)	(31,901)
Increase/(Decrease) in Accounts Payable	(384)	(384)
Increase/(Decrease) in Compensated Absences		
Increase/(Decrease) in Unearned Revenue	3,322	3,322
	10,519	10,519
Total adjustments		
Net cash (used for) operating activities	\$ (141,458)	\$ (141,458)

FIDUCIARY FUNDS

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 9,270	\$ 10,275
Interfund receivable		70
Total assets	<u>9,270</u>	<u>10,345</u>
LIABILITIES		
Due to student groups		1,496
Due to district		7,483
Payroll deductions and withholdings		1,366
Total liabilities		<u>10,345</u>
NET POSITION		
Expendable trust - scholarship fund	<u>\$ 9,270</u>	<u>\$</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions:	
Donations	\$ _____
Total Contributions	_____
Investment earnings:	
Interest	4
Net investment earnings	4
Total additions	4
DEDUCTIONS	
Scholarships	_____
Total deductions	_____
Change in net position	4
Net position—beginning of the year	5,824
Net position—end of the year	\$ <u><u>5,828</u></u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Borough of Woodbine School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Borough of Woodbine School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Borough of Woodbine School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. Effective with the 2012 fiscal year, the election of Board Members was moved to the general election in November resulting in the members whose term would have expired in April of 2016 being carried over to December 31, 2016. The purpose of the district is to educate students in grades K-8. The Borough of Woodbine School District had an enrollment at June 30, 2016 of 212 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

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

Based on the aforementioned criteria, the District has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDESTATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The government-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 (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). 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 (regular instruction, vocational programs, student & instruction related services, etc.) 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, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-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. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

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. GASBS 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 nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. 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.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. 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.
- d. **Debt service** funds are 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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

2. Proprietary Funds:

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

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district, a school store to provide school supplies for students and teachers, and a latch-key program to provide before and after school care for students.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others 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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balances – Fiduciary Funds

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

All fund internal activity is eliminated when carried to the Government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2016, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	4,812
Supplies		<u>584</u>
	\$	<u>5,396</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2016 is \$3,118.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

7. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. 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, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. Significant transfers approved by the Board of Education during the fiscal year were as follows:

Salaries of Teachers:

Grades 1-5

Undistributed Expenditures- Instruction

Tuition to Other LEAs within State - Regular

Tuition to County Vocational Schools - Special

Tuition to CSSD & Regional Day Schools

Tuition to Private Schools for the Disabled - Within State

Undistributed Expenditures - Other Support Services

Students - Related Services

Purchased Professional Educational Services

Undistributed Expenditures - Student Transportation Serv

Contracted Services - (Reg Students) ESC & CTA

Unallocated Benefits

Health Benefits

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

9. Budgets/Budgetary Control (Cont'd)

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

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

10. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the Middle Township Board of Education with a negotiated amount up to the final cost as determined by State of New Jersey.

11. Tuition Payable

Tuition charges for the fiscal years 2015-16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and Public Employees Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and 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.

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

15. New Accounting Standards

The District has adopted the following GASB statements:

- GASB No. 80 - *Blending Requirements for Certain Component Units - an Amendment of GASB No. 14*: The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 80, did not impact the financial statements of the School District.
- GASB No. 79 - *Certain External Investment Pools and Pool Participants*: This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 79, did not impact the financial statements of the School District.
- GASB Statement No. 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*: The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 78, did not impact the financial statements of the School District.
- GASB No. 77, *Tax Abatement Disclosures*: This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 77, did not impact the financial statements of the School District.

The District has adopted the following GASB statements:

- GASB No. 76 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*: The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 76, did not impact the financial statements of the School District.
- GASB No. 73 - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*: The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 73, did not impact the financial statements of the School District.

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

15. New Accounting Standards (Cont'd):

- **GASB No. 72 - *Fair Value Measurement and Application*:** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 72, did not impact the financial statements of the School District.

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

- **GASB No. 82 - *Pensions - an Amendment of GASB No. 67, No. 68 and No. 73*:** The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 82 on the School District's financial statements.
- **GASB No. 81 - *Irrevocable Split-Interest Agreements*:** The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the School District's financial statements.
- **GASB No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*:** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements.
- **GASB No. 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*:** The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 74 on the School District's financial statements.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. At June 30, 2016, the carrying amount of the Board's deposits were \$191,138 and the bank balance was \$644,450. Of the School District's bank balance of \$644,450 as of June 30, 2016, \$394,450 was uninsured and uncollateralized.

NOTE 3. INVESTMENTS

As of June 30, 2016, the District had no investments. However, if the District had investments they would be subject to following risks.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 4. INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Food Service Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General DFund	\$209,378	
Special Revenue Fund		\$93,651
Capital Projects Fund		88,956
Food Service Fund		6,224
Latchkey Program	460	13,594
Student Activity	70	
Payroll Agency		7,483
	<u>\$209,908</u>	<u>209,908</u>

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 1			\$ 1
Total Capital Assets not Being Depreciated	1			1
Building and Building Improvements	9,191,673			9,191,673
Machinery and Equipment	158,544			158,544
Totals at Historical Cost	9,350,217			9,350,217
Less Accumulated Depreciation for :				
Building and Improvements	(3,110,348)	(231,400)		(3,341,748)
Equipment	(127,095)	(7,426)		(134,521)
Total Accumulated Depreciation	(3,237,443)	(238,826)		(3,476,269)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	6,112,774	(238,826)		5,873,948
Government Activities Capital Assets, Net	\$ 6,112,775	\$ (238,826)		\$ 5,873,949
	To A-1			To A-1
Business-type Activities - Equipment	\$ 194,511		\$ (840)	\$ 193,671
Less Accumulated Depreciation	(50,173)	(13,983)		(64,156)
Business-type Activities Capital Assets, Net	\$ 144,338	\$ (13,983)	\$ (840)	\$ 129,515

Depreciation is charged to governmental functions as follows:

Regular Education	\$ 5,823
Special Education	100
Other Instruction	294
Student & Instructional Related Services	68,800
General Administrative Services	1,898
School Administrative Services	1,816
Plant Operation and Maintenance	160,095
	<u>\$ 238,826</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 6. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Issues or Additions	Payments or Expenditures	Balance June 30, 2016	Amounts Due Within One Year
State Loan	\$ 585,000	\$ 65,000	\$ 65,000	\$ 585,000	
Compensated Absences	173,007		67,715	105,292	
Serial Bonds	2,927,000		215,000	2,712,000	220,000
Net Pension Liability	583,517	131,910		715,427	
	<u>\$ 4,268,524</u>	<u>\$ 196,910</u>	<u>\$ 347,715</u>	<u>\$ 4,117,719</u>	<u>\$ 220,000</u>

Compensated absences will be liquidated in the General Fund, Serial Bonds will be liquidated in the Debt Service Fund and capital leases will be liquidated in the Food Service Fund.

Bonds Payable

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

At June 30, 2016, bonds payable consisted of the following issues:

\$3,682,000 School Bonds dated September 1, 2010, due in annual installments through March 1, 2026, bearing interest rates from 2.000% per annum to 3.625% per annum. The balance remaining as of June 30, 2016 is \$2,712,000.

Debt service requirements on serial bonds payable at June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 220,000	\$ 87,131	\$ 307,131
2018	230,000	80,531	310,531
2019	245,000	73,631	318,631
2020	255,000	66,281	321,281
2021	260,000	58,632	318,632
2022	272,000	50,832	322,832
2023	295,000	42,331	337,331
2024	305,000	32,744	337,744
2025	310,000	22,450	332,450
2026	320,000	11,600	331,600
	<u>\$ 2,712,000</u>	<u>\$ 526,163</u>	<u>\$ 3,238,163</u>

NOTE 7. SHORT-TERM DEBT

	Balance July 1, 2015	Issues or Additions	Payments or Expenditures	Balance June 30, 2015
Grant Anticipation Notes	\$ 892,486	\$ 585,950	\$ 892,486	\$ 585,950
State Aid Anticipation Note	303,928	299,575	303,928	299,575
	<u>\$ 1,196,414</u>	<u>\$ 885,525</u>	<u>\$ 1,196,414</u>	<u>\$ 885,525</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 7. SHORT-TERM DEBT (CONT'D)

The District issued a Grant Anticipation Note in the amount of \$584,950 on October 8, 2015 with an interest rate of 1.039% maturing October 9, 2016.

In June of 2016 the District issued a State Aid Anticipation Note in the amount of \$299,575 bearing an interest rate of 3.50% per annum. The note matured on July 8, 2016 and was paid in full.

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the School 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 (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.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, 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 School 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and 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 a fair value.

For the year ended June 30, 2016, the District recognized pension expense of \$674,392 and revenue of \$674,392 for support provided by the State.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System - The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, which equal the required contribution for each fiscal year, were as follows:

Public Employees Retirement System					
Fiscal Year	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Paid by District
2016	\$ 4,639	\$ 21,369	\$ 26,008	\$ N/A	\$ 26,008

Vesting and Benefit Provisions

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

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

The following represents the membership tiers for TPAF:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Trend Information for TPAF (Paid on-behalf of the School District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/16	300,320	100	% \$	N/A
6/30/15	244,458	100		N/A
6/30/14	171,027	100		N/A

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$137,087 to the TPAF for pension contributions and \$163,233 for normal and post-retirement benefits on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the School District \$110,792 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Contributions to the pension plan from the School District were \$27,400 for the fiscal year ended June 30, 2016. Employee contributions were \$12,220 for the fiscal year ended June 30, 2016.

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

Teachers' Pension and Annuity Fund - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 8. PENSION PLANS (CONT'D)

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

Teachers' Pension and Annuity Fund - The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined.

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$715,427 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 used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School District's proportion was .003187%, which represents a .00214% increase from the prior year.

For the fiscal year ended June 30, 2016, the School District recognized \$38,601 in the government-wide financial statements, for pension expense for PERS.

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,068	\$
Changes of assumptions	76,831	
Net difference between projected and actual earnings on pension plan investments		11,503
Changes in proportion and differences between District contributions and proportionate share of contributions	11,186	47,512
District contributions subsequent to the measurement date	27,400	
Total	\$ 132,485	\$ 59,015

\$27,400 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PERS
2017	\$ 9,287
2018	9,287
2019	9,287
2020	9,287
2021	9,287
Thereafter	(363)
Total	\$ 46,070

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 8. PENSION PLANS (CONT'D)

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

Public Employees' Retirement System - Collective Balances at June 30, 2015 and 2016 are as follows:

	Actuarial Valuation Date	
	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 5,086,138,484	\$ 1,032,618,058
Collective deferred inflows of resources	\$ 478,031,236	\$ 1,726,631,532
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's Proportion	0.0031870404%	0.0010509645%

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	TPAF
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Valuation Date	July 1, 2014	July 1, 2014
Interest Rate	7.90%	7.90%
Salary Scale (Based on Age):		
2012-2021	2.15% - 4.40%	Varies based
Thereafter	3.15% - 5.40%	on Experience
Inflation	3.04%	2.50%

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

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 8. PENSION PLANS (CONT'D)

Actuarial Assumptions (Continued)

Asset Class	PERS		TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%	5.00%	0.53%
U.S. Treasuries	1.75%	1.64%	1.75%	1.39%
Investment Grade Credit	10.00%	1.79%	13.50%	2.72%
Mortgages	2.10%	1.62%	2.10%	2.54%
High Yield Bonds	2.00%	4.03%	2.00%	4.57%
Inflation-Indexed Bonds	1.50%	3.25%	1.50%	1.47%
Broad US Equities	27.25%	8.52%	27.25%	5.63%
Developed Foreign Equities	12.00%	6.88%	12.00%	6.22%
Emerging Market Equities	6.40%	10.00%	6.40%	8.46%
Private Equity	9.25%	12.41%	9.25%	9.15%
Hedge Funds/Absolute Return	12.00%	4.72%	12.00%	14.57%
Real Estate (Property)	2.00%	6.83%	4.25%	3.97%
Commodities	1.00%	5.32%	1.00%	3.58%
Timber	n/a	n/a	1.00%	4.61%
Farmland	n/a	n/a	1.00%	4.61%
Global Debt ex US	3.50%	-0.40%	n/a	n/a
Real Estate (REITS)	4.25%	5.12%	n/a	n/a
Total	100%		100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 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 rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2016 calculated using a discount rate of 4.90% for PERS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.9%)	Current Discount (4.9%)	1% Increase (5.9%)
District's proportionate share of the net pension liability	\$ 889,188	\$ 715,427	\$ 569,747

Pension Plan Fiduciary Net Position

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

NOTE 11. POST-RETIREMENT BENEFITS

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

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

NOTE 12. COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, no liability existed for compensated absences in the Food Service Enterprise Fund or the Latchkey Enterprise Fund.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 13. DEFERRED COMPENSATION

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

Lincoln Investment Planning
Syracusa Benefits Program
Travelers

NOTE 14. RISK MANAGEMENT

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

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

New Jersey Unemployment and Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method".

Worker's Compensation Fund - The Board Currently maintains traditional insurance for its worker's compensation coverage.

NOTE 15. CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 16. COMMITMENTS

The District has not adopted an encumbrance policy for the fiscal year end to consider significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund or Committed Fund Balance in the Capital Projects Fund. There were no significant encumbrances at June 30, 2016.

NOTE 17. ECONOMIC DEPENDENCY

The District receives support from federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 18. FUND BALANCES

General Fund - Of the (\$591,755) General Fund Balance at June 30, 2016, \$96,979 is assigned for Encumbrances and (\$688,734) is unreserved and undesignated.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2016**

NOTE 19. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit fund balance of (\$591,755) in the General Fund, (\$50,644) in the Special Revenue Fund and (\$18,211) in the Capital Projects Fund at 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, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid 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 payments, the General 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 Special Revenue Fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of (\$50,644) in the Special Revenue Fund is equal to the last two state aid payments. The General Fund has a deficit of (\$591,755) of which \$248,931 is due to the last state aid payments. The balance of (\$342,824) will need to be raised in the 2016-17 budget or made up through operations. The Capital Projects Fund has a deficit of (\$18,211) which will be cleared by resolution in the 2016-17 school year.

NOTE 21. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2016 through November 11, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items have come to attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,473,417		\$ 1,473,417	\$ 1,473,417	
Homeless Tuition		16,873	16,873	16,873	
Interest Earned				127	127
Unrestricted Miscellaneous Revenues	30,573	128,979	159,552	158,229	(1,323)
Total - Local Sources	1,503,990	145,852	1,649,842	1,648,646	(1,196)
State Sources:					
School Choice Aid	32,028		32,028	32,028	
Categorical Special Education Aid	122,247		122,247	122,247	
Equalization Aid	1,798,565		1,798,565	1,798,565	
Categorical Security Aid	85,572		85,572	85,572	
Adjustment Aid	761,240		761,240	761,240	
Categorical Transportation Aid	164,943		164,943	164,943	
PAARC Readiness Aid	2,260		2,260	2,260	
Per Pupil Growth Aid	2,260		2,260	2,260	
New Jersey Advanced Aid				2,260	
Homeless Tuition Aid		65,000	65,000	65,000	
On behalf TPAF Pension				10,570	10,570
Contributions (non-budgeted)				137,087	137,087
On-behalf TPAF Post Retirement Contrib (non-budgeted)				163,233	163,233
Reimbursed TPAF Social Security					
Contributions (non-budgeted)				110,792	110,792
Total - State Sources	2,969,115	65,000	3,034,115	3,455,797	421,682
Total Revenues	4,473,105	210,852	4,683,957	5,104,443	420,486

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 134,565	\$ (2,639)	\$ 131,926	\$ 131,926	
Grades 1-5	465,555	(16,981)	448,574	448,574	
Grades 6-8	368,160	(8,945)	359,215	359,214	1
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	1,220	11,220	11,220	
Purchased Professional Services		1,560	1,560		1,560
Regular Programs - Undistributed					
Purchased Professional Educational Services		18,953	18,953	18,953	
Other Purchased Services	19,956	(2,434)	17,522	17,522	
General Supplies	18,600	(6,103)	12,497	12,357	140
Other Objects	500	(498)	2		2
Total Regular Programs	<u>1,017,336</u>	<u>(15,867)</u>	<u>1,001,469</u>	<u>999,766</u>	<u>1,703</u>
Resource Room/Resource Center					
Salaries of Teachers	232,069	(4,551)	227,518	227,518	
Other Salaries	64,127	15,861	79,988	73,162	6,826
General Supplies		100	100	56	44
Total Resource Room/Resource Center	<u>296,196</u>	<u>11,410</u>	<u>307,606</u>	<u>300,736</u>	<u>6,870</u>
Total Special Education - Instruction	<u>296,196</u>	<u>11,410</u>	<u>307,606</u>	<u>300,736</u>	<u>6,870</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction					
Bilingual Education - Instruction:					
Salaries of Teachers					
Purchased Professional Educational Services	\$ 21,957	\$ 1,150	\$ 23,107	\$ 23,107	
		128	128	128	
Total Bilingual Education - Instruction	<u>21,957</u>	<u>1,278</u>	<u>23,235</u>	<u>23,235</u>	
School Sponsored Cocurricular Activities					
Salaries of Teachers	3,760	(804)	2,956	1,504	1,452
Supplies and Materials		804	804	804	
Total School Sponsored Cocurricular Activities	<u>3,760</u>		<u>3,760</u>	<u>2,308</u>	<u>1,452</u>
Total Instruction	<u>1,339,249</u>	<u>(3,179)</u>	<u>1,336,070</u>	<u>1,326,045</u>	<u>10,025</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	577,170	102,718	679,888	584,469	95,419
Tuition to Other LEAs Within the State - Special	142,018	14,041	156,059	156,059	
Tuition to County Vocational Schools - Regular	195,906	14,115	210,021	210,021	
Tuition to County Vocational Schools - Special	44,904	(11,226)	33,678	33,678	
Tuition to CSSD & Regional Day Schools	223,035	64,414	287,449	287,449	
Tuition to Private Schools for the Disabled - Within State	169,230	(2,540)	166,690	166,690	
Tuition - State Facilities	93,887		93,887	93,887	
Total Undistributed Expenditures - Instruction	<u>1,446,150</u>	<u>181,522</u>	<u>1,627,672</u>	<u>1,532,253</u>	<u>95,419</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work Services					
Salaries	26,490	(8,692)	17,798	17,765	33
Total Undistributed Expenditures - Attendance and Social Work Services:	26,490	(8,692)	17,798	17,765	33
Undistributed Expenditures - Health Services:					
Salaries	52,995	(10,475)	42,520	42,292	228
Purchased Professional and Technical Services	3,120		3,120		3,120
Supplies and Materials	1,000	475	1,475	1,206	269
Other Objects	110		110	110	
Total Undistributed Expenditures - Health Services	57,225	(10,000)	47,225	43,608	3,617
Undistributed Expenditures - Other Support Services - Speech, OT, PT and Related Services					
Purchased Professional Educational Services	76,760	11,361	88,121	88,121	
Total Undistributed Expenditures - Other Support Services - Students - Related Services	76,760	11,361	88,121	88,121	
Undistributed Expenditures - Other Support Services - Guidance					
Salaries of Other Professional Staff	11,138	(477)	10,661	10,661	
Total Undistributed Expenditures - Other Support Services - Guidance	11,138	(477)	10,661	10,661	
Salaries of Other Professional Staff	11,138	(477)	10,661	10,661	

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
Undistributed Expenditures - Other Support Services - Child Study Team					
Salaries	21,569	(21,569)			
Purchased Professional-Educational Services	14,823	(1,500)	13,323	11,659	1,664
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures - Other Support Services - Child Study Team	36,392	(23,069)	13,323	11,659	1,664
Undistributed Expenditures - Improvement of Instructional Services Salary of Supervisor of Instruction	\$ 1,000	\$	\$ 1,000	\$	\$ 1,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undist. Expend. - Improvement Of Instructional Services	1,000		1,000		1,000
Undistributed Expenditures - Educational Media Serv/Sch Library:					
Salaries	42,555	(30,581)	11,974	11,974	
Supplies and Materials	2,338		2,338	579	1,759
Other Objects	2,333		2,333	2,092	241
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures - Educational Media Services School Library	47,226	(30,581)	16,645	14,645	2,000
Undistributed Expenditures - Instructional Staff Training Services Other Salaries	1,500		1,500	1,500	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Undistributed Expenditures - Instructional Staff Training Services	1,500		1,500	1,500	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
Undistributed Expenditures - Support Services - Gen. Administration					
Salaries	50,000	(18,298)	31,702	30,037	1,665
Salaries - State Monitor	70,841	(4,486)	66,355	63,192	3,163
NJDOE Loan	65,000		65,000	65,000	
Legal Services	10,000	12,500	22,500	20,410	2,090
Audit Fees	15,500	500	16,000	16,000	
Other Purchased Professional Services	4,568	625	5,193	5,078	115
Communications/Telephone	6,542	5,352	11,894	8,365	3,529
BOE Other Purchased Services	250	1,050	1,300	1,300	
Other Purchased Services	6,500	5,918	12,418	12,418	
General Supplies	1,500	2,328	3,828	3,781	47
BOE In-House Training/Meeting Supplies		3,113	3,113	2,977	136
Miscellaneous Expenditures	3,438	(3,438)			
BOE Membership Dues and Fees	6,050	(2,475)	3,575	3,575	
Total Undistributed Expenditures - Support Services - Gen. Admin.	240,189	2,689	242,878	232,133	10,745
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	\$ 50,000	\$ 35,000	\$ 85,000	\$ 82,933	\$ 2,067
Salaries of Secretarial and Clerical Assistants		11,237	11,237	11,051	186
Purchased Professional and technical Services		513	513	513	
Other Purchased Services		219	219	217	2
Other Objects	219	(169)	50	50	
Total Undistributed Expenditures - Support Serv. - School Admin.	50,219	46,800	97,019	94,764	2,255

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Central Services					
Salaries	67,613	(53,228)	14,385	14,241	144
Purchased Professional Services	9,000	77,229	86,229	86,194	35
Purchased Technical Services	5,300	4	5,304	5,304	
Supplies and Materials	1,000	(1,000)			
Misc. Purchased Services		150	150	150	
Supplies and Materials		1,500	1,500	1,424	76
Interest on BANS	8,925		8,925	8,925	
Miscellaneous Expenditures	1,060	(750)	310		310
Total Undistributed Expenditures - Central Services	92,898	23,905	116,803	116,238	565
Undistributed Expenditures - Admin. Info. Technology					
Other Purchased Services		21,260	21,260	21,057	203
Supplies and Materials		640	640	481	159
Total Undistributed Expenditures - Admin. Info Technology					
School Facilities		21,900	21,900	21,538	362
Undistributed Expenditures - Required Maint for School Facilities					
Cleaning, Repair, and Maintenance Services	28,315	8,186	36,501	36,501	
General Supplies	5,000	(5,000)			
Total Undistributed Expenditures - Required Maint for School Facilities	33,315	3,186	36,501	36,501	

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Cleaning, Repair, and Maintenance Services	\$ 95,000	\$ 5,704	\$ 100,704	\$ 100,704	\$
Insurance	34,500	(4,582)	29,918	29,862	56
Miscellaneous Purchased Services		255	255	235	20
General Supplies	13,500	(6,601)	6,899	6,899	
Energy (Natural Gas)	24,000	(3,700)	20,300	19,337	963
Energy (Electricity)	26,000	4,810	30,810	30,671	139
Other Objects	1,321	(1,155)	166	166	
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	194,321	(5,269)	189,052	187,874	1,178
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	3,000	(640)	2,360	2,360	
General Supplies	500	(500)			
Total Undistributed Expenditures - Care & Upkeep of Grounds	3,500	(1,140)	2,360	2,360	
Undistributed Expenditures - Student Transportation Services:					
Sal. For Pupil Trans (Bet Home & Sch) - Reg.	6,211		6,211	5,866	345
Management Fee - ESC & CTSA Trans. Program	10,575	2,935	13,510	12,640	870
Contracted Services - Aid in Lieu of Payments-Nonpub Sch	4,420	(3,536)	884	884	
Contracted Services - (Other than Betw Home and Sch) - Vendors	5,000	9,759	14,759	7,858	6,901
Contracted Services - (Between Home and School) - Joint Agrmnts	12,376	15,897	28,273	28,226	47
Contracted Services - (Reg. Students) - ESCs & CTAs	104,443	52,435	156,878	127,196	29,682
Contracted Services - (Special Ed Students) - ESCs and CTAs	107,052	25,873	132,925	132,879	46
Total Undistributed Expenditures - Student Transportation Serv.	250,077	103,363	353,440	315,549	37,891

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	32,208	8,528	40,736	40,603	133
Other Retirement Contributions - PERS	33,601	(2,200)	31,401	31,227	174
Unemployment Compensation	9,500	(782)	8,718	8,718	
Workmen's Compensation	32,000	2,752	34,752	34,094	658
Health Benefits	404,805	(9,565)	395,240	383,819	11,421
Tuition Reimbursement	4,620	2,539	7,159	7,159	
Other Employee Benefits	32,336	17,896	50,232	50,232	
Total Unallocated Benefits	549,070	19,168	568,238	555,852	12,386
On-behalf TPAF Pension Contributions (non-budgeted)				137,087	(137,087)
On-behalf TPAF Post Retirement Contrib (non-budgeted)				163,233	(163,233)
Reimbursed TPAF Social Security Contributions (non-budgeted)				110,792	(110,792)
Total On-behalf Contributions				411,112	(411,112)
Total Undistributed Expenditures	3,117,470	334,666	3,452,136	3,694,133	(241,997)
Total Current Expense	4,456,719	331,487	4,788,206	5,020,178	(231,972)
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service for SDA Funding	16,386		16,386	16,386	
Total Facilities Acquisition and Construction Services	16,386		16,386	16,386	
Total Capital Outlay	16,386		16,386	16,386	
Total Expenditures	4,473,105	331,487	4,804,592	5,036,564	(231,972)

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(120,635)	(120,635)	67,879	188,514
Other Financing Sources/(Uses)					
Operating transfers out:					
Cancellation of prior Year Payables				132,079	132,079
Transfer to Capital Projects Fund				(40,996)	(40,996)
Cancellation of prior Year Grants				(5,520)	(5,520)
Transfer to Enterprise Fund - Board Contribution				(31,901)	(31,901)
Total Other Financing Sources/(Uses)				53,662	53,662
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		(120,635)	(120,635)	121,541	242,176
Fund Balances, July 1	120,635		120,635	120,635	
Fund Balances, June 30	\$ 120,635	\$ (120,635)	\$ -	\$ 242,176	\$ 242,176

Assigned Fund Balance:
Reserve for Encumbrances
Unassigned Fund Balance

\$ 96,979
145,197

242,176

Reconciliation to Governmental Funds Statements (GAAP):
Last State Aid Payment Not Recognized on GAAP Basis
State Advanced Aid Not Recognized on GAAP Basis

(248,931)
(585,000)

\$ (591,755)

**BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total - Local Sources	-	10,000	10,000	10,000	
State Sources:					
Preschool Education Aid	527,071		527,071	509,191	(17,880)
Total - State Sources	527,071		527,071	509,191	(17,880)
Federal Sources:					
Title I	169,988	12,713	182,701	175,199	(7,502)
I.D.E.A., Part B	85,091	3,536	88,627	89,468	841
Other	24,024	27,935	51,959	28,860	(23,099)
Total - Federal Sources	279,103	44,184	323,287	293,527	(29,760)
Total Revenues	806,174	54,184	860,358	812,718	(47,640)
EXPENDITURES:					
Instruction					
Salaries of teachers	187,071	59,036	246,107	245,942	165
Other salaries of instruction	72,726	(1,861)	70,865	70,865	
Other purchased services	5,000	(2,159)	2,841	2,781	60
General Supplies		25,416	25,416	24,068	1,348
Other Objects		1,000	1,000	2,108	(1,108)
Total instruction	264,797	81,432	346,229	345,764	465
EXPENDITURES (CONT'D):					
Support Services					
Salaries of program directors					
Salaries of Teachers	193,239	(150,217)	43,022	42,808	214
Salaries supervisors of instruction	16,452		16,452	16,129	323
Salaries of other professional staff	64,198	36,247	100,445	99,385	1,060
Personal services- employee benefits	122,952	53,826	176,778	170,804	5,974
Purchased professional educational services	85,864	4,171	90,035	89,468	567
Purchased professional technical services		2,346	2,346		2,346
Cleaning and Maintenance		5,000	5,000	5,000	
Other purchased services	38,037	23,772	61,809	34,009	27,800
Travel		1,668	1,668	1,362	306
Supplies and materials	20,635	(5,286)	15,349	7,989	7,360
Other objects		1,225	1,225		1,225
Total support services	541,377	(27,248)	514,129	466,954	47,175
Facilities acquisition and construction services:					
Instructional Equipment					
Non-instructional Equipment					
Total facilities acquisition and construction services					
Transfers to Charter Schools					
Total expenditures	806,174	54,184	860,358	812,718	47,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART II

**BOROUGH OF WOODBINE SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2016**

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 5,104,443	\$ 812,718
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		
Current year		(9,723)
State Aid Advance Loan recognized for budget purposes, not recognized for GAAP purposes		
State Aid Advance Loan payment recognized for budget purposes, not recognized for GAAP purposes	65,000	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	264,937	53,055
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(248,931)	(50,644)
	<u>5,185,449</u>	<u>805,406</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds		
	<u>5,185,449</u>	<u>805,406</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	5,036,564	812,718
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		
Current year		(9,723)
	<u>5,036,564</u>	<u>802,995</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		
	<u>\$ 5,036,564</u>	<u>\$ 802,995</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

BOROUGH OF WOODBINE SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of the District's Proportionate Share
of the Net Pension Liability
Public Employee's Retirement System

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0031870404%	0.0031166242%	0.0034772011%
District's proportionate of the net pension liability (asset)	\$ 715,427	\$ 583,517	\$ 664,562
District's covered payroll	\$ 173,087	\$ 217,084	\$ 165,406
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	413.33%	268.80%	401.78%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 27,400	\$ 25,693	\$ 26,200
Contributions in relation to the contractually required contribution	<u>27,400</u>	<u>25,693</u>	<u>26,200</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 173,087	\$ 217,084	\$ 165,406
Contributions as a percentage of covered-employee payroll	15.83%	11.84%	15.84%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period.
However, information is only currently available for three years.
Additional years will be presented as they become available.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.017475%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	11,044,917	8,185,698	8,624,364
Total	<u>\$ 11,044,917</u>	<u>\$ 8,185,698</u>	<u>\$ 8,624,364</u>
District's covered payroll	\$ 1,501,844	\$ 1,694,598	\$ 1,673,180
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
Schedule of District Contributions
Teachers' Pension and Annuity Fund**

The School District was not required to make any contributions towards TPAF.

Note: This schedule is required by GASB 68 to show information for a 10 year period.
However, information is only currently available for three years.
Additional years will be presented as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART III

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules
For the Fiscal Year Ended June 30, 2016

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.

Change 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 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.

Change of assumptions. 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.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

REVENUES:	Preschool Education Aid	Total State Funds	REAP		Title I Part A
			2014	2015	
State Sources	\$ 509,191	\$ 509,191			
Federal Sources			\$ 3,338	\$ 3,496	\$ 175,199
Local Sources					
Total revenues	509,191	509,191	3,338	3,496	175,199
EXPENDITURES:					
Instruction:					
Salaries of teachers	208,345	208,345			37,597
Other salaries of instruction	70,865	70,865			
Other purchased services	2,781	2,781			
Supplies and materials			3,338	3,496	7,234
Other Objects	1,128	1,128			980
Total instruction	283,119	283,119	3,338	3,496	45,811
Support services:					
Salaries of program directors					42,808
Salaries of Teachers					
Salaries supervisors of instruction	16,129	16,129			
Salaries of other professional staff	72,603	72,603			26,782
Personal services- employee benefits	112,362	112,362			58,442
Purchased professional educational service					
Purchased professional and technical services					
Cleaning, Repairs and Maintenance	5,000	5,000			
Other purchased services	12,182	12,182			
Travel	1,163	1,163			
Supplies and materials	6,633	6,633			1,356
Total support services	226,072	226,072			129,388
Total expenditures	\$ 509,191	\$ 509,191	\$ 3,338	\$ 3,496	\$ 175,199

BOROUGH OF WOODBINE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Title II Part A	IDEA B Basic	IDEA B Preschool	Total Federal Funds	Sam Azeez Grant	Total All Other Funds	Totals
REVENUES:							
State Sources							
Federal Sources							
Local Sources	\$ 22,026	\$ 88,627	\$ 841	\$ 293,527			\$ 509,191
					\$ 10,000	\$ 10,000	293,527
Total revenues	<u>22,026</u>	<u>88,627</u>	<u>841</u>	<u>293,527</u>	<u>10,000</u>	<u>10,000</u>	<u>812,718</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers				37,597			245,942
Other salaries of instruction							70,865
Other purchased services							2,781
Supplies and materials				14,068	10,000	10,000	24,068
Other Objects				980			2,108
Total instruction				<u>52,645</u>	<u>10,000</u>	<u>10,000</u>	<u>345,764</u>
Support services:							
Salaries of program directors							
Salaries of Teachers				42,808			42,808
Salaries supervisors of instruction							16,129
Salaries of other professional staff				26,782			99,385
Personal services- employee benefits				58,442			170,804
Purchased professional educational service		88,627	841	89,468			89,468
Purchased professional and technical services							
Cleaning, Repairs and Maintenance							
Other purchased services	21,827			21,827			5,000
Travel	199			199			34,009
Supplies and materials				1,356			1,362
Total support services	<u>22,026</u>	<u>88,627</u>	<u>841</u>	<u>240,882</u>			<u>466,954</u>
Total expenditures	<u>\$ 22,026</u>	<u>\$ 88,627</u>	<u>\$ 841</u>	<u>\$ 293,527</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 812,718</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 208,358	\$ 208,345	\$ 13
Other Salaries for Instruction	70,865	70,865	
Other Purchased Services	2,841	2,781	60
Total instruction	282,064	281,991	73
Support services:			
Salaries of Supervisors of Instruction	16,452	16,129	323
Salaries of Other Professional Staff	72,603	72,603	
Personal Services - Employee Benefits	112,952	112,362	590
Purchased Professional Educational Services	569		569
Cleaning, Repairs and Maintenance	5,000	5,000	
Other Purchased Services	20,047	12,182	7,865
Travel	1,368	1,163	205
Supplies and Materials	20,356	6,633	13,723
Other Objects	1,225	1,128	97
Total support services	250,572	227,200	23,372
Total expenditures	\$ 532,636	\$ 509,191	\$ 23,445

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2015-16 Preschool Education Aid Allocation	\$ 506,436
Add: Actual PEA Carryover (June 30, 2015)	25,034
Add: Budgeted Transfer from the General Fund 2015-2016	
Total Preschol Education Aid Funds Available for 2015-2016 Budget	531,470
Less: 2014-2015 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(532,636)
Available & Unbudgeted Preschool Education Funds as of June 30, 2016	(1,166)
Add: June 30, 2016 Unexpended Preschool Education Aid	23,445
2015-2016 Carryover - Preschool Education Aid Programs	\$ 22,279
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Porgrams in 2016-2017	\$ -

CAPITAL PROJECTS FUND DETAIL STATEMENT

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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2016**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Transfer From General Fund</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2016</u>
				<u>Prior Years</u>	<u>Current Year</u>	
Various Improvements & Renovations Including Solar Panels	12/31/09	\$ 3,682,000	\$ -	\$ 3,680,211	\$ -	\$ 1,789
Building Upgrades and Boiler Project	12/31/09	925,693	40,996	986,689		(20,000)
		<u>\$ 4,607,693</u>	<u>\$ 40,996</u>	<u>\$ 4,666,900</u>	<u>\$ -</u>	<u>\$ (18,211)</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Year Ended June 30, 2016

Revenues and Other Financing Sources

State Sources

School Construction Corporation Grant

Federal Sources

Small Cities Public Facilities Grant

Borough Portion

Miscellaneous

Total revenue

Expenditures and Other Financing Uses

Purchased professional and technical services

Land and improvements

Construction Services

Legal Services

Other Objects

Total expenditures

Deficiency of revenues over expenditures

Other Financing Sources/(Uses)

Prior Year Expenditure Adjustment

\$ (1,450)

Transfer From General Fund

40,996

Fund balance - beginning

(57,757)

Fund balance - ending

\$ (18,211)

=====

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements & Renovations Including Solar Panels
From Inception and for the Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond proceeds and transfers				
Borough of Woodbine	\$ 3,682,000	\$	\$ 3,682,000	\$ 3,682,000
Total revenue	<u>3,682,000</u>		<u>3,682,000</u>	<u>3,682,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	233,056		233,056	367,175
Construction services	3,325,730		3,325,730	3,212,051
Legal Services	21,588		21,588	22,921
Other Objects	48,862		48,862	79,853
Transfer to Debt Service	50,975		50,975	
Total expenditures	<u>3,680,211</u>		<u>3,680,211</u>	<u>3,682,000</u>
Excess of revenues over expenditures	<u>\$ 1,789</u>	<u>\$</u>	<u>\$ 1,789</u>	<u>\$</u>

Additional project information:

Project number	N/A
Grant date	N/A
Bond authorization date	40,155
Bond authorized	3,682,000
Bonds issued	3,682,000
Original authorized cost	3,682,000
Additional authorized cost	
Revised authorized cost	3,682,000
Percentage increase over original cost	
Percentage completion	100%
Original target completion date	6/30/2014
Revised target completion date	6/30/2014

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Building Upgrades and Boiler Project
From Inception and for the Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources				
School Construction Corporation Grant	\$ 561,991	\$	\$ 561,991	\$ 561,991
Federal sources				
Small Cities Public Facilities Grant	335,911		335,911	335,911
Other	15,207		15,207	15,207
Transfer from General Fund		40,996	40,996	
Miscellaneous	12,584		12,584	12,583
Total revenue	925,693	40,996	966,689	925,692
Expenditures and Other Financing Uses				
Purchased professional and technical services	51,210		51,210	51,210
Construction services	858,788		858,788	840,000
Legal Services	37,294		37,294	32,000
Other Objects	39,397		39,397	2,482
Total expenditures	986,689		986,689	925,692
Excess of revenues over expenditures	\$ (60,996)	\$ 40,996	\$ (20,000)	\$

Additional project information:

Project number	5840-050-09-3000
Grant date	
Bond authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	3,057,476
Additional authorized cost	
Revised authorized cost	3,057,476
Percentage increase over original cost	
Percentage completion	100%
Original target completion date	6/30/2014
Revised target completion date	6/30/2014

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for 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 for the schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

BOROUGH OF WOODBINE SCHOOL DISTRICT
Non-major Enterprise Funds
Combining Statement of Net Position
June 30, 2016

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 1,410	\$ 9,288	\$ 10,698
Accounts Receivable:			
State	84		84
Federal	6,435		6,435
Other	3,498	214	3,712
Interfund		460	460
Inventories	5,396		5,396
Total Current Assets	<u>16,823</u>	<u>9,962</u>	<u>26,785</u>
Fixed Assets:			
Equipment	194,511		194,511
Accumulated depreciation	(64,996)		(64,996)
Total fixed assets	<u>129,515</u>		<u>129,515</u>
Total assets	<u>146,338</u>	<u>9,962</u>	<u>156,300</u>
LIABILITIES AND NET POSITION			
Current liabilities:			
Unearned Income	3,314	8	3,322
Interfund payable	6,224	13,594	19,818
Total current liabilities	<u>9,538</u>	<u>13,602</u>	<u>23,140</u>
Total Liabilities	<u>9,538</u>	<u>13,602</u>	<u>23,140</u>
Net Position:			
Invested in Capital - net of related debt	129,515		129,515
Unrestricted	7,285	(3,640)	3,645
Total Net Position	<u>136,800</u>	<u>(3,640)</u>	<u>133,160</u>
Total liabilities and net position	<u>\$ 146,338</u>	<u>\$ 9,962</u>	<u>\$ 156,300</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Non-major Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year ended June 30, 2016

	Food Service	School Store	Latchkey	Total
OPERATING REVENUES:				
Local Sources:				
Daily Sales	\$ 15,366	\$	\$	\$ 15,366
Latchkey Program Revenue			10,866	10,866
Miscellaneous	4,286			4,286
Total Operating Revenues	19,652		10,866	30,518
OPERATING EXPENSES:				
Salaries	49,974		8,381	58,355
Employee Benefits	9,887		690	10,577
Supplies & Materials	5,170			5,170
Direct Expenses	5,471			5,471
Management Fee	14,500			14,500
Cost of Sales	74,439			74,439
Depreciation	13,983			13,983
Total Operating Expenses	173,424		9,071	182,495
Operating (loss)	(153,772)		1,795	(151,977)
Nonoperating Revenues:				
Local Sources				
Local Grant Program				
State Sources				
State School Lunch Program	1,615			1,615
Federal Sources				
National School Lunch Program	77,842			77,842
National School Breakfast Program	44,324			44,324
School Snack Program	3,608			3,608
Food Distribution Program	10,480			10,480
Interest	5		3	8
Total Nonoperating Revenues	137,874		3	137,877
Net (loss)	(15,898)		1,798	(14,100)
Other Financing Sources/(Uses)				
Cancellation of prior year receivables	(13,484)			(13,484)
Cancellation of inventory and equipment		(1,814)		(1,814)
Operating Transfer - General Fund	31,901			31,901
Operating Transfer - Student Activity		(722)		(722)
Total net position (deficit)—beginning	134,281	2,536	(5,438)	131,379
Total net position—ending	\$ 136,800	\$ -	\$ (3,640)	\$ 133,160

BOROUGH OF WOODBINE SCHOOL DISTRICT
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Fiscal Year ended June 30, 2016

	<u>Food Service</u>	<u>School Store</u>	<u>Latchkey</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 19,652	\$	\$ 10,866	\$ 30,518
Payments to Employers	(59,861)		(9,737)	(69,598)
Payments to Suppliers	(104,192)	1,814	-	(102,378)
Net Cash (Used) by Operating Activities	(144,401)	1,814	1,129	(141,458)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Local, State and Federal Reimbursements	127,389			127,389
Cancellation of Prior Year Receivables	(13,484)	(1,814)		(15,298)
Operating Transfer - General Fund	31,901			31,901
Operating Transfer - Student Activity		(722)		(722)
Net Cash Provided by Noncapital Financing Activities	145,806	(2,536)	-	143,270
Cash Flows from Investing Activities:				
Interest	5		3	8
Net Cash Provided by Investing Activities	5		3	8
Net Increase/(Decrease) in Cash and Cash Equivalents	1,410	(722)	1,132	1,820
Cash and Cash Equivalents, July 1	-	722	8,156	8,878
Cash and Cash Equivalents, June 30	\$ 1,410	\$ -	\$ 9,288	\$ 10,698
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ (153,772)	\$ -	\$ 1,795	\$ (151,977)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	13,983			13,983
Federal Commodities	10,480			10,480
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	13,654		(214)	13,440
(Increase)/Decrease in Inventory	225	974		1,199
(Increase)/Decrease in Interfund Receivable			(460)	(460)
(Increase)/Decrease in Fixed Assets		840		840
Increase/(Decrease) in Interfund Payable	(31,901)		-	(31,901)
Increase/(Decrease) in Accounts Payable	(384)			(384)
Increase/(Decrease) in Unearned Revenue	3,314		8	3,322
Total Adjustments	9,371	1,814	(666)	10,519
Net cash provided by/(used for) operating activities	\$ (144,401)	\$ 1,814	\$ 1,129	\$ (141,458)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/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 the payroll transactions of the school district.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Assets
June 30, 2016**

	Expendable Trust		Agency	
	Scholarship	Student Activity	Payroll	Total
ASSETS:				
Cash and cash equivalents	\$ 9,270	\$ 1,426	\$ 8,849	\$ 19,545
Interfund receivable		70		70
Total Assets	\$ 9,270	\$ 1,496	\$ 8,849	\$ 19,615
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Payroll Deductions & Withholdings	\$	\$	\$ 1,366	\$
Interfund payable			7,483	7,483
Due to student groups		1,496		1,496
Total Liabilities		1,496	8,849	10,345
Equity:				
Net Assets				
Reserved - Expendable Trust	9,270			9,270
Total fund balances	9,270			9,270
Total liabilities and fund balances	\$ 9,270	\$ 1,496	\$ 8,849	\$ 19,615

BOROUGH OF WOODBINE SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Changes in Assets and Liabilities
for the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and cash equivalents Due from General Fund	\$ 621 70	\$ 2,289	\$ 1,484	\$ 1,426 70
Total assets	<u>691</u>	<u>2,289</u>	<u>1,484</u>	<u>1,496</u>
LIABILITIES:				
Due to Student groups	691	2,289	1,484	1,496
Total liabilities	<u>\$ 691</u>	<u>\$ 2,289</u>	<u>\$ 1,484</u>	<u>\$ 1,496</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
Scholarship Expendable Trust Fund
Statement of Revenues, Expenditures
and Changes in Fund Balances
for the Fiscal Year ended June 30,**

	<u>2016</u>
OPERATING REVENUES:	
Local sources:	
Donations	
Interest	\$ 4
Total operating revenues	<u>4</u>
OPERATING EXPENSES:	
Scholarship payments	
Total operating expenses	<u> </u>
Net Income	<u>4</u>
Fund balances, July 1	9,266
Fund balances, June 30	<u>\$ 9,270</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,656	\$ 2,595,571	\$ 2,589,378	\$ 8,849
Total assets	<u>\$ 2,656</u>	<u>\$ 2,595,571</u>	<u>\$ 2,589,378</u>	<u>\$ 8,849</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$	\$ 1,125,811	\$ 1,124,445	\$ 1,366
Net Payroll		1,331,284	1,331,284	
Summer Reserve	426	133,223	133,649	
Interfund Payable	2,230	5,253		7,483
Total liabilities	<u>\$ 2,656</u>	<u>\$ 2,595,571</u>	<u>\$ 2,589,378</u>	<u>\$ 8,849</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2016

Exhibit I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
Renovations Project	8/12/2010	\$ 3,682,000	3/1/17	\$ 220,000	3.000%				
			3/1/18	230,000	3.000%				
			3/1/19	245,000	3.000%				
			3/1/20	255,000	3.000%				
			3/1/21	260,000	3.000%				
			3/1/22	272,000	3.125%				
			3/1/23	295,000	3.250%				
			3/1/24	305,000	3.375%				
			3/1/25	310,000	3.500%				
			3/1/26	320,000	3.625%				
					\$ 2,927,000	\$	\$ 215,000	\$ 2,712,000	

**Borough of Woodbine School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Tax Levy	\$ 151,714	\$ -	\$ 151,714	\$ 151,714	
Miscellaneous	4,039		4,039	4,039	
	<u>155,753</u>		<u>155,753</u>	<u>155,753</u>	
State Sources:					
Debt Service Aid Type II	152,828		152,828	152,828	
Total - State Sources	<u>152,828</u>		<u>152,828</u>	<u>152,828</u>	
Total Revenues	<u>308,581</u>		<u>308,581</u>	<u>308,581</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	93,581		93,581	93,581	
Redemption of Principal	215,000		215,000	215,000	
Total Regular Debt Service	<u>308,581</u>		<u>308,581</u>	<u>308,581</u>	
Total expenditures	<u>308,581</u>		<u>308,581</u>	<u>308,581</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	
Other Financing Sources:					
Other financing source (use)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

BOROUGH OF WOODBINE BOARD OF EDUCATION
Net Position by Component,
Last Ten Fiscal Years
Unaudited

Exhibit J-1

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt										
Restricted	\$ 2,949,136	\$ 3,582,220	\$ 3,548,276	\$ 3,711,460	\$ 3,172,299	\$ 3,803,648	\$ 3,295,230	\$ 3,219,856	* \$ 3,154,582	\$ 3,161,949
Unrestricted	(164,681)	(164,777)	105,980	66,335	742,490	231,298	(51,159)	(57,758)	(57,757)	(18,211)
Total governmental activities net position	<u>2,784,455</u>	<u>3,417,443</u>	<u>3,275,684</u>	<u>3,307,573</u>	<u>3,512,449</u>	<u>3,345,405</u>	<u>2,051,739</u>	<u>1,815,075</u>	<u>1,036,939</u>	<u>1,725,046</u>
Business-type activities										
Invested in capital assets, net of related debt										
Restricted	(63)	(76)	(496)	7,888	16,452	17,841	172,304	157,480	144,337	129,515
Unrestricted	(1,508)	(30,871)	(24,624)	(58,658)	(90,328)	(46,063)	(12,506)	(4,985)	(12,958)	3,645
Total business-type activities net position	<u>(1,571)</u>	<u>(30,947)</u>	<u>(25,120)</u>	<u>(50,770)</u>	<u>(73,876)</u>	<u>(28,222)</u>	<u>159,798</u>	<u>152,495</u>	<u>131,380</u>	<u>133,160</u>
District-wide										
Invested in capital assets, net of related debt										
Restricted	2,949,073	3,582,144	3,547,780	3,719,347	3,188,752	3,821,489	3,821,489	3,377,336	3,298,919	3,291,464
Unrestricted	(163,173)	(195,648)	(403,196)	(528,879)	(492,668)	(735,604)	(735,604)	(1,352,008)	(1,665,785)	(1,415,047)
Total district-wide net position	<u>\$ 2,785,900</u>	<u>\$ 3,386,496</u>	<u>\$ 3,250,564</u>	<u>\$ 3,256,803</u>	<u>\$ 3,438,574</u>	<u>\$ 3,317,183</u>	<u>\$ 3,317,183</u>	<u>\$ 1,967,570</u>	<u>\$ 1,575,377</u>	<u>\$ 1,858,206</u>

* Net position was restated as of June 30, 2014 as required by implementation of GASB 68.

Source: CAFR Schedule A-1

BOROUGH OF WOODBINE BOARD OF EDUCATION
Changes in Net Position,
Last Ten Fiscal Years
Unaudited

Expenses	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Instruction:										
Regular	\$1,403,787	\$1,556,440	\$1,199,048	\$1,139,228	\$1,165,264	\$1,568,939	\$1,697,102	\$1,659,491	\$1,882,799	\$1,694,525
Special education	335,121	300,038	740,378	900,194	954,053	281,901	489,003	335,662	444,434	406,243
Other Instruction	57,617	64,015	125,030	140,352	154,395	297,514	198,944	106,866	37,471	35,088
Support Services:										
Tuition	1,583,828	1,614,922	1,326,867	1,434,283	1,353,275	1,749,250	1,925,864	1,696,009	1,412,240	2,090,005
Student & instruction related services	366,775	395,127	872,454	892,445	973,631	766,941	640,565	751,003	812,428	748,886
General administrative services	127,684	315,888	293,214	255,227	276,476	332,223	318,263	363,118	511,718	386,324
School administrative services	298,419	100,377	69,271	72,425	74,124	208,911	308,932	247,884	297,503	278,424
Business administrative services										
Plant operations and maintenance	259,127	358,544	301,633	292,941	259,749	269,456	324,068	312,447	341,770	464,928
Pupil transportation	406,123	401,032	324,008	363,671	241,476	336,845	318,281	285,753	396,631	436,661
Unallocated Capital Outlay										
Unallocated capital outlay						68,954	10,627	22,985	16,388	16,386
Interest on long-term debt						210,218	109,283	105,581	97,681	91,431
Total governmental activities expenses	4,838,481	5,106,383	5,251,902	5,490,766	5,452,443	6,091,152	6,340,932	5,886,798	6,251,061	6,648,901
Business-type activities:										
Food service	169,807	185,124	182,891	202,339	173,207	159,107	171,784	186,584	191,093	173,424
School Store							245			
Latchkey	5,316	8,187	8,203	6,516	8,556	8,467	8,163	6,757	7,824	9,071
Total business-type activities expenses	175,123	193,311	191,094	208,855	181,762	167,574	180,192	193,341	198,917	182,495
Total district expenses	5,013,604	5,299,694	5,442,996	5,699,621	5,634,206	6,258,726	6,521,124	6,080,140	6,449,978	6,831,396
Program Revenues										
Governmental activities:										
Operating grants and contributions	1,251,506	1,215,183	772,264	937,700	951,075	898,626	826,029	827,356	1,179,783	1,340,300
Capital grants and contributions	2,717,860				1,128,494					
Total governmental activities program revenues	3,969,366	1,215,183	772,264	937,700	2,079,568	898,626	826,029	827,356	1,179,783	1,340,300
Business-type activities:										
Charges for services:										
Food service	31,353	42,241	43,630	48,830	28,118	40,594	31,047	29,652	29,828	19,652
School Store							307			
Latchkey	3,679	6,300	4,773	5,709	9,239	7,520	6,695	7,999	6,876	10,866
Operating grants and contributions	137,703	112,129	117,513	128,561	105,322	115,559	140,559	147,527	141,122	137,869
Total business-type activities program revenue	172,735	160,670	165,917	183,099	142,679	163,673	178,608	185,177	177,827	168,387
Total district program revenue	4,142,101	1,375,853	938,180	1,120,799	2,222,247	1,062,299	1,004,637	1,012,534	1,357,610	1,508,687
Net (Expense)/Revenue										
Governmental activities	(869,115)	(3,891,200)	(4,479,638)	(4,563,066)	(3,372,875)	(5,192,526)	(5,192,526)	(5,059,442)	(5,071,278)	(5,308,601)
Business-type activities	(2,388)	(32,641)	(25,177)	(25,756)	(39,083)	(5,196,427)	(3,901)	(3,901)	(8,164)	(5,071,278)
Total district-wide net expense	(871,503)	(3,923,841)	(4,504,815)	(4,578,822)	(3,411,958)	(5,196,427)	(5,196,427)	(5,067,606)	(5,092,369)	(5,322,709)

BOROUGH OF WOODBINE BOARD OF EDUCATION
Changes in Net Position,
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	1,018,600	1,110,047	1,224,753	1,279,075	1,284,516	1,284,516	1,335,896	1,369,809	1,444,527	1,473,417
Property taxes levied for debt service							97,268			151,714
Unrestricted grants and contributions	2,553,572	2,836,801	3,122,039	3,302,323	3,219,153	3,213,645	3,255,480	3,245,259	3,331,013	3,539,214
Federal and State Aid Restricted for a Specific Purpose		519,755				407,109	146,663	148,867	150,922	152,828
Miscellaneous income	11,410	57,585	30,652	3,558	57,612	169,741	107,989	77,448	116,660	179,269
Prior Year Accounts Receivable/Payable Adjustments										
Transfers	(13,353)		(30,754)		(16,738)	(49,529)	(256,272)			125,109
Total governmental activities	3,570,229	4,524,188	4,346,691	4,584,956	4,544,543	5,025,482	4,687,024	4,841,383	5,043,122	5,621,551
Business-type activities:										
Investment earnings	828	249	250	106	40	25	4	5	9	8
Transfers and Adjustments	13,353		30,754		15,938	49,529	21,995			(16,020)
Total business-type activities	14,181	249	31,004	106	15,978	49,554	21,999	5	9	(16,012)
Total district-wide	3,584,410	4,524,437	4,377,695	4,585,062	4,560,521	5,075,036	4,709,023	4,841,388	5,043,131	5,605,539
Changes in Net Position										
Governmental activities	2,701,114	632,988	(132,947)	31,890	1,171,668	(167,044)	(167,044)	(218,059)	(28,156)	312,950
Business-type activities	11,793	(32,392)	5,827	(25,650)	(23,106)	45,653	45,653	(8,159)	(21,082)	(30,120)
Total district	2,712,907	600,596	(127,121)	6,240	1,148,562	(121,391)	(121,391)	(226,218)	(49,238)	282,830

Source: CAFR Schedule A-2

BOROUGH OF WOODBINE BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

Exhibit J-3

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted										
Committed										
Assigned										
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ (231,611)	\$ (421,219)	\$ (977,122)	\$ (995,547)	\$ (794,302)	\$ 96,979
Reserved	155,187	117,490	136,369	159,231						(688,734)
Unreserved	(174,543)	(92,218)	(190,459)	(275,124)						
Total general fund	(19,356)	25,272	(54,090)	(115,893)	(231,611)	(421,219)	(977,122)	(995,547)	(794,302)	(591,755)
All Other Governmental Funds										
Restricted										
Capital Projects Fund					789,179	231,298	(51,159)	(57,758)	(57,757)	(18,211)
Unreserved, reported in:										
Special revenue fund	(14,282)	(19,614)	(31,128)	(31,254)	(45,839)	(45,839)	(48,035)	(53,055)	(53,055)	(50,644)
Capital projects fund	20,631	738	738	(61,642)						
Total all other governmental funds	\$ 6,349	\$ (18,876)	\$ (30,390)	\$ (92,896)	\$ 743,340	\$ 185,459	\$ (99,194)	\$ (110,813)	\$ (110,812)	\$ (68,855)

Source: CAFR Schedule B-1

BOROUGH OF WOODBINE BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

Exhibit J-4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 1,018,600	1,110,047	1,224,753	1,279,075	1,284,516	1,284,516	1,433,164	1,521,514	1,569,657	1,642,004
Miscellaneous	11,410	57,585	30,652	3,558	57,612	47,065	47,605	77,439	100,179	158,357
Local Sources	1,002,298	532,274	10,544	15,903	14,990	140,818	86,189	14,829	31,323	14,039
State sources	4,243,901	3,637,953	3,446,088	3,210,019	4,222,568	3,980,249	3,883,219	3,922,248	3,983,122	4,193,068
Federal sources	1,276,739	401,512	437,670	1,014,100	1,061,163	520,989	319,148	279,395	317,763	291,969
Total revenue	\$ 7,552,948	5,739,371	5,149,708	5,522,656	6,640,849	5,973,637	5,769,325	5,815,425	6,002,044	6,299,437
Expenditures										
Instruction:										
Regular instruction	\$ 1,250,852	1,383,647	922,663	1,030,133	984,858	1,249,653	1,234,835	1,320,084	1,268,641	1,345,530
Special education instruction	269,360	240,392	563,501	702,939	700,118	207,839	330,824	254,424	277,287	300,736
Other instruction	46,876	52,488	95,160	104,374	112,301	269,919	161,536	81,961	24,665	25,543
Support Services:										
Tuition	1,255,854	1,271,183	1,326,867	1,434,283	1,353,275	1,347,094	1,537,728	1,437,707	1,119,474	1,532,253
Student & instruction related services	334,255	351,899	690,548	687,659	725,371	700,675	576,126	688,962	682,196	496,591
General administrative services	133,439	152,589	129,076	125,452	127,598	144,159	113,771	167,974	260,223	232,133
School administrative services	117,358	87,746	53,105	53,986	53,743	183,076	273,556	228,055	269,540	243,363
Central Services	106,103	100,585	109,592	77,275	94,946	100,867	101,570	108,022	105,549	116,238
Business administrative services										21,538
Plant operations and maintenance	207,938	288,243	301,303	292,022	258,730	199,776	220,370	239,669	250,642	226,735
Pupil transportation	322,277	321,262	322,350	361,824	239,735	248,436	244,958	240,174	316,507	315,549
Unallocated employee benefits	746,728	764,695	655,319	700,408	886,127	921,178	1,071,200	754,870	917,155	966,964
Capital outlay	2,697,458	705,239	31,731	235,293	4,048,791	754,891	178,815	22,985	16,386	16,386
Debt service:										
Principal						170,000	185,000	195,000	205,000	215,000
Interest and other charges						174,024	111,132	105,581	99,731	93,581
Total Expenditures	7,488,498	5,719,968	5,201,215	5,805,647	9,585,593	6,671,587	6,341,421	5,845,469	5,812,996	6,148,140
Excess (Deficiency) of revenues over (under) expenditures	64,450	19,403	(51,507)	(282,992)	(2,944,743)	(697,950)	(697,950)	(30,044)	189,048	151,297
Other Financing Sources (Uses)										
Serial Bonds					3,682,000					
Cancellation of prior year receivables							(179,203)			130,629
Cancellation of grants							(55,074)			(5,520)
Transfers	(13,353)		(30,754)		(16,738)	(49,529)	(21,995)			(31,901)
Total other financing sources (uses)	\$ (13,353)		(30,754)		3,665,262	(49,529)	(256,272)			93,208
Net change in fund balances	\$ 51,097	19,403	(82,261)	(282,992)	720,519	(747,479)	(954,222)	(30,044)	189,048	244,505
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	6%	5%	5%	5%	0

Source: CAFR Schedule B-2

BOROUGH OF WOODBINE BOARD OF EDUCATION
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Totals</u>
2007	\$ 7,310	\$ 4,100	\$ 11,410
2008	4,422	53,163	57,585
2009	564	30,088	30,652
2010	288	2,838	3,126
2011	538	8,830	9,368
2012	381	46,684	47,065
2013	620	20,945	21,565
2014	46	77,394	77,439
2015	164	100,015	100,179
2016	127	175,102	175,229

Source: District Records

BOROUGH OF WOODBINE BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2007	\$ 9,075,300	130,109,200	4,860,800	140,100	23,161,300	4,736,300	5,061,400	177,144,400	1,296,161	178,440,561	0.525	142,608,529
2008	8,754,000	130,920,600	4,860,800	140,100	23,302,300	4,763,000	5,061,400	177,802,200	1,260,222	179,062,422	0.679	167,570,389
2009	8,503,500	132,543,000	4,344,600	102,300	23,942,900	4,763,000	5,061,400	179,260,700	1,416,345	180,677,045	0.710	181,694,390
2010	8,527,100	133,733,100	3,920,400	96,000	24,124,400	4,763,000	5,061,400	180,225,400	1,401,630	181,627,030	0.704	182,376,135
2011	8,367,200	133,927,900	3,614,800	94,300	24,646,200	4,700,300	3,911,400	179,262,100	-	179,262,100	0.708	180,544,076
2012	8,020,300	132,902,600	3,624,900	101,700	24,287,400	3,700,300	3,911,400	176,548,600	1,151,120	177,699,720	0.803	193,273,968
2013	7,583,600	133,033,300	3,725,700	94,200	23,713,300	3,700,300	3,911,400	175,761,800	936,356	176,698,156	0.858	189,925,208
2014	7,769,900	132,635,800	3,753,700	100,800	23,504,200	3,499,100	3,864,400	175,127,900	866,871	175,994,771	0.888	156,280,475
2015	7,497,000	132,215,400	3,769,500	102,100	27,628,600	3,249,100	3,864,400	178,326,100	876,003	179,202,103	0.903	159,134,482
2016	7,553,200	132,312,100	3,769,500	102,100	26,959,600	3,249,100	3,650,000	177,595,600	837,702	178,433,302	0.988	151,454,545

R = Revaluation

Source: County Abstract of Ratables & Municipal Tax Assessor

BOROUGH OF WOODBINE BOARD OF EDUCATION
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited

Fiscal Year Ended June 30,	BOROUGH OF WOODBINE BOARD OF EDUCATION			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Cape May County	Municipal Local Purpose	
2007	0.525		0.525	0.154	0.231	0.910
2008	0.679		0.679	0.182	0.238	1.099
2009	0.710		0.710	0.204	0.238	1.152
2010	0.704		0.704	0.215	0.237	1.156
2011	0.708		0.708	0.214	0.251	1.173
2012	0.803		0.803	0.253	0.236	1.292
2013	0.858		0.858	0.265	0.236	1.359
2014	0.888		0.888	0.227	0.235	1.350
2015	0.903		0.903	0.231	0.235	1.369
2016	0.988		0.988	0.188	0.235	1.411

Source: District Records and Municipal Tax Collector

BOROUGH OF WOODBINE BOARD OF EDUCATION
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Woodbine Manor Apts. LP	\$ 3,650,000	1	2.04%	Information not available		
DMA Investments, LLC	3,444,000	2	1.92%			
Taxpayer #1	2,298,000	3	1.28%			
Taxpayer #2	1,418,000	4	0.79%			
SCA Serv of NJ Inc Waste Management	1,311,200	5	0.73%			
JSM Properties, LLC	1,300,000	6	0.73%			
Verizon	866,871	7	0.48%			
Star Gas Propane OP	855,100	8	0.48%			
Samuelkc, LLC	791,600	9	0.44%			
Taxpayer #3	773,800	10	0.43%			
Totals	\$ 16,708,571		9.32%	\$ -		0.00%
	District Assessed Value		\$ 179,202,103			

Source: District CAFR & Municipal Tax Assessor

BOROUGH OF WOODBINE BOARD OF EDUCATION
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 1,018,600	\$ 1,018,600	100%	
2008	1,110,047	1,110,047	100%	
2009	1,224,753	1,224,753	100%	
2010	1,279,075	1,279,075	100%	
2011	1,284,516	1,284,516	100%	
2012	1,335,896	1,335,896	100%	
2013	1,433,164	1,433,164	100%	
2014	1,521,514	1,521,514	100%	
2015	1,569,657	1,569,657	100%	
2016	1,625,131	1,625,131	100%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

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

BOROUGH OF WOODBINE BOARD OF EDUCATION
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita
	General Obligation Bonds	Capital Leases	Net Pension Liability	Bond Anticipation Notes (BANs)			
2007	\$	\$ 14,089	\$	\$	\$ 14,089	0.0%	\$ 6
2008		18,901			18,901	0.0%	7.58
2009		14,621			14,621	0.0%	5.85
2010		9,626		500,000	509,626	0.4%	206.74
2011	3,682,000	4,270		307,536	3,993,806	3.4%	1,625.48
2012	3,512,000				3,512,000	3.0%	1,425.32
2013	3,327,000				3,327,000	2.7%	1,335.07
2014	3,132,000		583,517		3,715,517	2.9%	1,493.98
2015	2,927,000		583,517		3,510,517	2.6%	1,414.39
2016	2,712,000				2,712,000	2.0%	1,094.87

Source: District CAFR Schedules I-1, I-2

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.

BOROUGH OF WOODBINE BOARD OF EDUCATION
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2007	\$	\$	\$	0.00%	\$
2008				0.00%	
2009				0.00%	
2010				0.00%	
2011	3,682,000		3,682,000	2.03%	
2012	3,512,000		3,512,000	1.96%	1,429
2013	3,327,000		3,327,000	1.87%	1,350
2014	3,132,000		3,132,000	1.77%	1,257
2015	2,927,000		2,927,000	1.66%	1,177
2016	2,712,000		2,712,000	1.51%	1,093

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

a See Exhibit NJ J-6 for property tax data.

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

BOROUGH OF WOODBINE BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2016
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Borough of Woodbine - December 31, 2015	\$ 18,964	100%	\$ 18,964
Other Debt			
County of Cape May - December 31, 2015	181,705,600	0.32%	586,491
Subtotal, Overlapping Debt			<u>605,455</u>
School District Direct Debt			<u>2,712,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 3,317,455</u></u>

Sources: Borough of Woodbine Finance Officer
County of Cape May Finance Officer

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

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

BOROUGH OF WOODBINE BOARD OF EDUCATION
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Exhibit J-13

Equalized valuation basis	
2015	\$ 152,077,520
2014	156,280,475
2013	156,469,153
	<u>\$ 464,827,148</u>

Average equalized valuation of taxable property \$ 154,942,383

Debt limit (3% of average) ^a	4,648,271
Net bonded school debt	<u>2,712,000</u>

Legal debt margin \$ 1,936,271

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 3,443,587	\$ 4,175,402	\$ 4,799,402	\$ 5,203,980	\$ 5,336,935	\$ 5,359,639	\$ 5,434,557	\$ 5,209,345	\$ 5,005,673	\$ 4,648,271
Total net debt applicable to limit					3,682,000	3,512,000	3,327,000	3,132,000	2,927,000	2,712,000
Legal debt margin	<u>\$ 3,443,587</u>	<u>\$ 4,175,402</u>	<u>\$ 4,799,402</u>	<u>\$ 5,203,980</u>	<u>\$ 1,654,935</u>	<u>\$ 1,847,639</u>	<u>\$ 2,107,557</u>	<u>\$ 2,077,345</u>	<u>\$ 2,078,673</u>	<u>\$ 1,936,271</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	68.99%	65.53%	61.22%	60.12%	58.47%	58.34%

Source: Abstract of Ratables and District Records.

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

BOROUGH OF WOODBINE BOARD OF EDUCATION
Demographic and Economic Statistics,
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	2,506	111,705	44,575	6.8%
2008	2,494	114,891	46,067	8.3%
2009	2,500	115,823	46,329	11.8%
2010	2,465	117,083	47,498	12.4%
2011	2,457	116,703	47,498	12.4%
2012	2,464	117,035	47,498	12.9%
2013	2,492	121,345	48,694	13.9%
2014	2,487	130,010	52,276	17.2%
2015	2,482	133,859	53,932	10.5%
2016	2,477	134,925	54,471	10.9%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income provided by the US Dept. of Commerce, Bureau of Economic Analysis.
- c Per Capita information provided by the US Dept. of Commerce, Bureau of Economic Analysis.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development

BOROUGH OF WOODBINE BOARD OF EDUCATION
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2016			2007		
	Approximate Number of Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<p>This information not available from any source</p>						
Totals			<u> </u>			<u> </u>
			<u> </u>			<u> </u>

BOROUGH OF WOODBINE BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Function/Program</u>										
Instruction:										
Regular instruction	21	22	22	23	22	21	21	19	19	19
Special education instruction	4	3	3	3	2	3	3	3	3	3
Other special education	2	3	3	1	1					
Other Instruction	1	3	3	5	5	6	6	7	7	7
Support Services:										
Tuition	2									
Student & instruction related services	1	4	4	4	7	4	4	4	4	4
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	1	1				1	1	1	1	1
Technology services	1	1	1	1	1	1	1	1	1	1
Business administrative services	3	1	1	1	1	1	1	1	1	
Plant operations and maintenance		3								
Total	37	42	38	38	40	38	38	37	37	35

Source: District Personnel Records

BOROUGH OF WOODBINE BOARD OF EDUCATION
Operating Statistics,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2007	246	4,423,115	17,980	-15.33%	36	1:12	1:13	246	227	15.49%	92.28%
2008	276	4,791,040	17,359	-3.46%	22	1:12	1:13	211	195	-14.23%	92.42%
2009	213	5,014,729	23,543	35.63%	22	1:12	1:13	202	189	-4.08%	93.21%
2010	216	5,178,100	23,973	1.82%	22	1:15	1:9	203	191	0.30%	94.09%
2011	217	5,570,354	25,670	7.08%	22	1:15	1:9	207	195	1.97%	94.20%
2012	211	5,572,672	26,411	2.89%	21	1:14	1:11	220	204	6.28%	92.73%
2013	235	5,866,474	24,964	-5.48%	21	1:15	1:18	236	222	7.27%	94.07%
2014	212	5,866,474	27,672	10.85%	22	1:12	1:9	221	207	-6.36%	93.67%
2015	206	5,866,474	28,478	-2.91%	22	1:12	1:9	221	207	0.00%	93.67%
2016	212	5,521,903	26,047	8.54%	22	1:13	1:8	225	211	1.81%	93.78%

Source: District records

BOROUGH OF WOODBINE BOARD OF EDUCATION
School Building Information,
Last Ten Fiscal Years
Unaudited

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Buildings</u>										
<u>Woodbine Elementary School</u>										
Square Feet	52,789	52,789	52,789	52,789	52,789	52,789	52,789	52,789	52,789	52,789
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	246	211	213	216	217	211	236	212	206	212

Number of Schools at June 30, 2016
Elementary - 1

Source: District Records, ASSA

BOROUGH OF WOODBINE BOARD OF EDUCATION
General Fund
Schedule of Required Maintenance for School Facilities,
Last Ten Fiscal Years
(Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities
11-000-261-XXX

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Woodbine Elementary School	N/A	\$ 54,966	\$ 38,208	\$ 20,105	\$ 30,455	\$ 14,737	\$ 16,092	\$ 33,754	\$ 34,287	\$ 40,171	\$ 36,501
Total School Facilities		\$ 54,966	\$ 38,208	\$ 20,105	\$ 30,455	\$ 14,737	\$ 16,092	\$ 33,754	\$ 34,287	\$ 40,171	\$ 36,501
Other Facilities											
Grand Total		\$ 54,966	\$ 38,208	\$ 20,105	\$ 30,455	\$ 14,737	\$ 16,092	\$ 33,754	\$ 34,287	\$ 40,171	\$ 36,501

Source: District Records

BOROUGH OF WOODBINE BOARD OF EDUCATION
Insurance Schedule
For the Fiscal Year Ended June 30, 2016
(Unaudited)

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
Atlantic & Cape May Counties School Business Officials Joint Insurance Fund		
Property, Inland Marine		
Physical Damages	\$ 450,000,000	
Perils Included	All Risk	
Comprehensive and General Liability	16,000,000	1,000
Property Valuation		
Blanket and Building Contents	10,000,000	1,000
Comprehensive Crime Coverage	250,000	1,000
General and Automobile Liability	16,000,000	
Workers' Compensation	2,000,000	
School Board Legal Liability	16,000,000	1,000 per claim
Equipment Breakdown	100,000,000	1,000
NJ School Boards Association Insurance Group		
Blanket Position Bond		
Treasurer	180,000	1,000
Board Secretary/Business Administrator	50,000	500

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Woodbine School District
County of Cape May, 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 *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, business-type activities, and each major fund of the Borough of Woodbine School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 11, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodbine School District's basic 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 basic 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, and State of New Jersey.

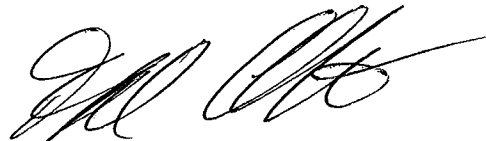
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Borough of Woodbine School 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 Borough of Woodbine School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Borough of Woodbine Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 11, 2016

NIGHTLINGER, COLAVITA & VOLPA

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES REQUIRED BY THE UNIFORM ADMINISTRATIVE REQUIREMENTS,
COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
(UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Woodbine School District
County of Cape May, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Woodbine Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016. The Borough of Woodbine Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Woodbine Board of Education'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 as prescribed by the *Division of Administration and Finance, Department of Education, State of New Jersey* and *New Jersey OMB 15-08*. Those standards, Uniform Guidance and New Jersey OMB 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 Borough of Woodbine Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Borough of Woodbine Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Woodbine Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 New Jersey OMB 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 Borough of Woodbine Board of Education's internal control over compliance.

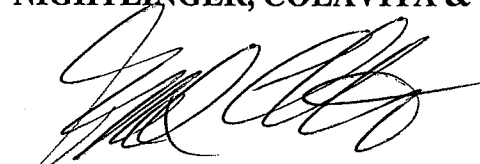
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs labeled as finding 2016-1, that we consider to be a significant deficiency.

Borough of Woodbine Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Borough of Woodbine Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 11, 2016

BOROUGH OF WOODBINE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance 6/30/15	Carryover/ Amount	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments	Deferred Revenue 6/30/16	(Accounts Receivable) 6/30/16	Due to Grantor at 6/30/16
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.565	Unknown	N/A	7/01/15-6/30/16	\$ 13,598			\$ 13,598	\$ (10,480)		\$ (10,480)		\$ 3,118		
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/01/15-6/30/16	77,842			73,669	(77,842)		(77,842)				
National School Lunch Program	10.555	16161NJ304N1099	N/A	7/01/14-6/30/15	80,034	\$ (6,204)		6,204						\$ (4,173)	
School Breakfast Program	10.553	16161NJ304N1099	N/A	7/01/15-6/30/16	44,324			42,113	(44,324)		(44,324)			(2,211)	
School Breakfast Program	10.553	16161NJ304N1099	N/A	7/01/14-6/30/15	45,814	(3,591)		3,591						(2,211)	
School Snack Program	10.555	16161NJ304N1099	N/A	7/01/15-6/30/16	3,608			3,557	(3,608)		(3,608)			(51)	
School Snack Program	10.555	16161NJ304N1099	N/A	7/01/14-6/30/15	1,299	(49)		49						(51)	
Total Enterprise Fund															
						(9,844)		142,781	(136,254)		(136,254)		3,118	(6,435)	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
No Child Left Behind (N.C.L.B.):															
Title I	84.010	S010A150030	NCLB-5840-16	7/01/15-6/30/16	183,687			136,839	(175,199)		(175,199)				(38,360)
Title I	84.010	S010A150030	NCLB-5840-15	7/01/14-6/30/15	178,935	(12,422)		12,422							
Title II, Part A	84.367A	S367A150029	NCLB-5840-16	7/01/15-6/30/16	24,572			18,274	(22,026)		(22,026)			(3,752)	
Title II, Part A	84.367A	S367A150029	NCLB-5840-15	7/01/14-6/30/15	24,475	(8,174)		2,654					\$ 5,520		
IDEA Part B, Basic Regular	84.027	H027A150100	IDEA-5840-16	7/01/15-6/30/16	88,627			60,412	(88,627)		(88,627)			(28,215)	
IDEA Part B, Basic Preschool	84.173	H173A150114	IDEAPS-5840-16	7/01/15-6/30/16	841			(841)			(841)			(841)	
Race to the Top	84.413A	B413A120008	RTTT-5840-15	9/01/12-8/31/13	14,988	1,629							(1,629)		
REAP	84.358A	S358A136803	REAP-5840-15	9/01/13-8/31/15	6,243	6,243							(6,243)		
REAP	84.358A	S358A146803	REAP-5840-15	7/01/14-9/30/15	3,338			3,338	(3,338)		(3,338)				
REAP	84.358A	S358A156803	REAP-5840-16	7/01/15-9/30/16	3,496			3,496	(3,496)		(3,496)				
U.S. Department of Agriculture															
Passed-through State Department of Education:															
New Jersey Fresh Fruit & Vegetable	10.582	16161NJ304L1603	N/A	7/01/14-6/30/15	12,270	(2,517)		2,978				222	683		
Total Special Revenue Fund						(15,241)		240,413	(293,527)		(293,527)	(2,130)	683	(71,168)	
Total Federal Financial Awards						\$ (25,085)		\$ 383,194	\$ (429,781)		\$ (429,781)	\$ (2,130)	\$ 3,801	\$ (77,603)	

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

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

BOROUGH OF WOODBINE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year Ended June 30, 2016

Exhibit K-4

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	(Accounts Receivable) Balance June 30, 2015	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2016			MEMO		
									Deferred Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Equalization Aid	16-495-034-5120-078	\$ 1,798,565	7/01/15-6/30/16			\$ 1,647,771	\$ (1,798,565)							
Special Education Categorical Aid	16-495-034-5120-089	122,247	7/01/15-6/30/16			111,998	(122,247)		\$ (150,794)					\$ 1,798,565
Security Aid	16-495-034-5120-084	85,572	7/01/15-6/30/16			78,398	(85,572)		(10,249)					122,247
Adjustment Aid	16-495-034-5120-085	761,240	7/01/15-6/30/16			697,418	(761,240)		(7,174)					85,572
Transportation Aid	16-495-034-5120-014	164,943	7/01/15-6/30/16			151,114	(164,943)		(63,822)					761,240
PARCC Aid	16-495-034-5120-098	2,260	7/01/15-6/30/16			2,071	(2,260)		(13,829)					164,943
Per Pupil Growth Aid	16-495-034-5120-097	2,260	7/01/15-6/30/16			2,071	(2,260)		(189)					2,260
School Choice Aid	16-495-034-5120-068	32,028	7/01/15-6/30/16			29,343	(32,028)		(189)					2,260
Nonpublic Transportation Aid	N/A	348	7/01/14-6/30/15	\$ (348)		348			(2,685)					2,260
Homeless Tuition Aid	N/A	10,570	7/01/15-6/30/16				(10,570)							32,028
Reimbursed TPAF														
Social Security Contributions	16-495-034-5095-002	110,792	7/01/15-6/30/16			105,311	(110,792)		(10,570)					10,570
Reimbursed TPAF									(5,481)					
Social Security Contributions	15-495-034-5095-002	130,104	7/01/14-6/30/15	(12,696)		12,696								110,792
Total General Fund				(13,044)		2,838,539	(3,090,477)		(264,982)				(248,931)	3,090,477
Special Revenue Fund:														
Preschool Education Aid	15-495-034-5120-086	530,552	7/01/14-6/30/15	21,921	\$ (25,034)			\$ 3,113						
Preschool Education Aid	16-495-034-5120-086	506,436	7/01/15-6/30/16		25,034	455,792	(509,191)		\$ 22,279	(50,644)				458,392
PBSIS	N/A	-	9/01/05-6/30/08	(1,000)		1,000								
Anti-Bullying Grant	N/A	1,100	7/01/11-6/30/12	1,865					1,865					
Total Special Revenue Fund				22,786		456,792	(509,191)	3,113	24,144	(50,644)				458,392
Capital Projects Fund														
School Construction Corporation														
Building Upgrades & Boiler Project	5840-050-09-2001-G02B	307,536	Open	(307,536)		307,536								307,536
Building Upgrades & Boiler Project	5840-050-09-3000	561,991	Open	(561,991)						(561,991)				561,991
Total Capital Projects Fund				(869,527)		307,536				(561,991)				869,527
Debt Service Fund														
Debt Service Aid Type II	495-034-5120-017	152,828	7/01/15-6/30/16			152,828	(152,828)							152,828
Total Debt Service Fund						152,828	(152,828)							152,828
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	100-010-3360-067	1,615	7/01/15-6/30/16			1,531	(1,615)			(84)				1,615
State School Lunch Program	100-010-3360-067	1,656	7/01/14-6/30/15	(177)		177								1,656
Total Enterprise Fund				(177)		1,708	(1,615)			(84)				3,271
Total State Financial Assistance Subject to OMB 15-08				\$ (859,962)	\$ -	\$ 3,757,403	\$ (3,754,111)	\$ 3,113	\$ 24,144	\$ (877,701)			\$ (248,931)	\$ 4,574,495
State Financial Assistance Not Subject to OMB 15-08														
On-Behalf TPAF Post														
Retirement Medical	16-495-034-5094-001	163,233	7/01/15-6/30/16			\$ 163,233	\$ (163,233)							
On-Behalf TPAF Pension Contribution	16-495-034-5094-006	137,087	7/01/15-6/30/16			137,087	(137,087)							
Total State Financial Assistance						\$ 300,320	\$ (300,320)							

The Accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board'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 New Jersey OMB 15-08

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 revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003,c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$381,326 for the general fund and \$(5,754) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:					
Actual Amounts (Budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 3,155,477	\$ 509,191	\$ 152,828	\$ 1,615	\$ 3,819,111
Difference - Budget to GAAP					
State Aid Payment Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	264,937	53,055			317,992
State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements until the Subsequent Year	(248,931)	(50,644)			(299,575)
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditure, and the Related Revenue is Recognized	65,000	(8,165)			56,835
On Behalf Payments Recognized for GAAP Purposes but not Included on the Schedule of Expenditures of State Financial Assistance	300,320				
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 3,536,803</u>	<u>\$ 503,437</u>	<u>\$ 152,828</u>	<u>\$ 1,615</u>	<u>\$ 3,894,363</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance					
Actual Amounts (Budgetary "revenues" from the Schedule of Expenditures of Federal Awards	\$	\$ 293,527	\$	\$ 136,254	\$ 429,781
Difference - Budget to GAAP Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditure, and the Related Revenue is Recognized		(1,558)			(1,558)
Total Federal Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	\$ 291,969	\$	\$ 136,254	\$ 428,223

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 U.S.D.A. Commodities 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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

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

Federal Awards N/A

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes _____ no
- 2) Significant deficiencies identified? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of Uniform Guidance _____ yes _____ no

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

N/A

Dollar threshold used to distinguish between type A and type B programs (section .518): N/A

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

**BOROUGH OF WOODBINE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016
(continued)**

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? _____ yes X no

Internal control over major programs:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

16-495-034-5120-078	Equalization Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-068	School Choice Aid
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-014	Transportation Aid

**BOROUGH OF WOODBINE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Circular 15-08 audit.

None

**BOROUGH OF WOODBINE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016
(continued)**

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

This section identifies the audit findings required to be reported by Title 2 CFR 200 section .516 of the *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, as applicable, for State Financial Assistance.

Finding 2016-1(AMR Finding 2016-1)

State Program:

495-034-5120-078 – Equalization Aid; 495-034-5120-089 – Special Education Aid; 495-034-5120-084 – Security Aid; 495-034-5120-085 – Adjustment Aid; 495-034-5120-068 - School Choice Aid; 495-034-5120-097 - Per Pupil Growth; 495-034-5120-098 - PARCC Readiness; and 495-034-5120-014 - Transportation Aid.

Criteria:

Each of the District's funds must be self-balancing, with no deficit fund balances (with the exception of the Special Revenue Fund).

Condition:

The Capital Projects Fund has a deficit fund balance as of June 30, 2016.

Effect:

The District must raise the deficit in the following year's budget.

Recommendation:

The District should carefully monitor the expenditures and remaining budgeted amounts to ensure that a deficit is not created.

Response:

Expenditures will be carefully monitored to prevent a deficit fund balance from occurring.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

This section identifies the status of prior - year findings related to the basic financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

Finding #15-1

Condition: The General Fund and the Capital Projects Fund have deficit fund balances as of June 30, 2015.

Current Status: This finding was not corrected during 2016, see Finding 2016-1.

Management Response: Amounts will be raised in subsequent budgets to eliminate the deficits.