

**SCHOOL DISTRICT
OF
WEEHAWKEN**

Weehawken Board of Education
Hudson County, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

Comprehensive Annual
Financial Report
of the
Weehawken Board of Education
For the Fiscal Year Ended June 30, 2017

WEEHAWKEN BOARD OF EDUCATION
Fiscal Year Ended June 30, 2017

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WEEHAWKEN TOWNSHIP SCHOOL DISTRICT

53 Liberty Place Weehawken, NJ 07086
201.422.6126 | WeehawkenSchools.net | @WeehawkenTSD

Robert R. Zywicki, Ed.D.
Superintendent of Schools

Robert R. Brown
Interim Business Administrator/Board Secretary

October 25, 2017

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

Dear Board Members and Constituents of Weehawken:

The comprehensive annual financial report of the Weehawken School District (the "District") for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped youngsters. The District also provides preschool educational services. The District completed the 2016-2017 fiscal year with an enrollment of 1,347 students, which are 24 less students than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	1,347	(1.75%)
2015-2016	1,371	3.24%
2014-2015	1,328	1.50%
2013-2014	1,309	4.05%
2012-2013	1,258	1.50%

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

3.) **MAJOR INITIATIVES:** During the 2016-2017 school year, Dr. Zywicki successfully led the Weehawken educational community through a strategic planning process that culminated in the Board of Education's adoption of a three-year strategic plan in July 2016. The District's strategic plan is a roadmap for academic excellence and a student-centered vision of "Equity, Personalization, and Innovation." Evidence of the successful implementation of these initiatives include the district-wide 1:1 deployment of Chromebooks/iPads, infusion of research-based blended learning strategies, standards-based report cards, a comprehensive Response to Intervention program, and PLC-based curriculum mapping. He also expanded the High School curriculum to offer 31 AP Courses, including the prestigious AP Capstone Diploma Program. In 2017, Weehawken was named one "of the twelve most innovative districts in the nation by the International Center for Leadership in Education." The Washington Post ranked Weehawken High School among the top 12% of high schools in the nation on its 2017 list of "America's Most Challenging High Schools." Additionally, in 2017 and 2018 Weehawken was ranked one of New Jersey's top 100 public school districts by Niche.com.

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

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

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

5.) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of Township of Weehawken. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements, accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

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

7.) **DEBT ADMINISTRATION:** At June 30, 2017, the District's outstanding debt issues included \$9,020,000 of general obligation bonds, obligations under capital leases of \$50,594 and compensated absences payable of \$249,730. The District approved \$16,000,000 School Bonds, Series 2017 dated July 27, 2017. The new project includes (a) building improvements and upgrades to the Daniel Webster Elementary School, Theodore Roosevelt Elementary School and Weehawken High School, including life safety system upgrades, sound system upgrades, and interior renovations; (b) to undertake improvements and upgrades to the science classrooms/laboratories at Weehawken High School. The approved State Aid for school facilities projects is in the form of annual debt service aid, with the amount of such annual State Aid to be 40% of the annual principal and interest payable on the \$15,775,363 bonds, being the final project costs approved by the State for school facilities projects pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000,c.72.

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

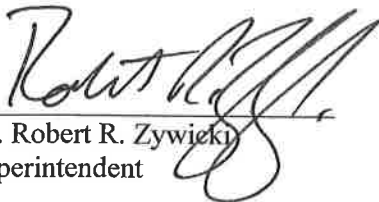
9.) **RISK MANAGEMENT:** The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10.) OTHER INFORMATION:

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

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

Respectfully submitted,

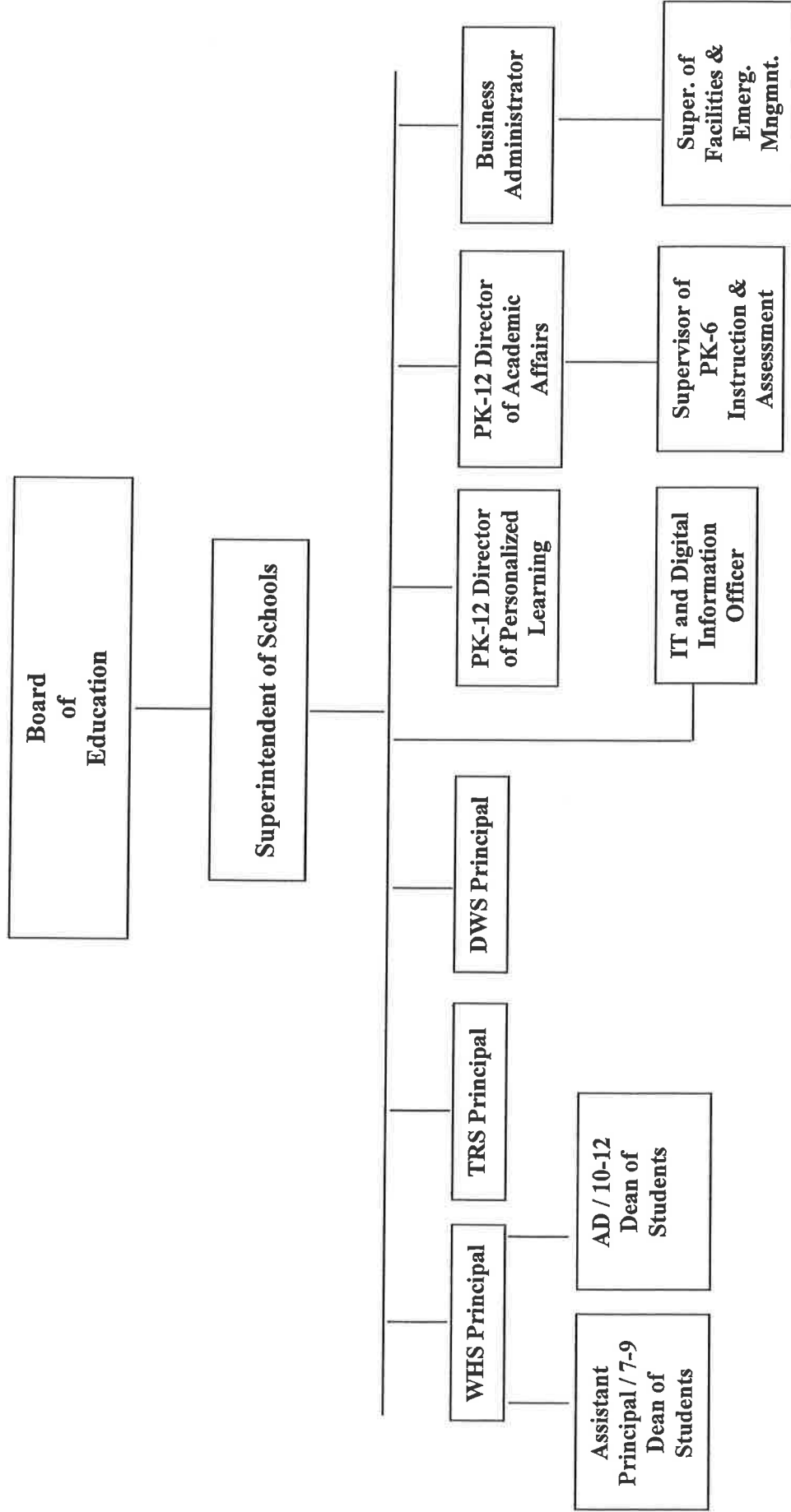


Dr. Robert R. Zywiecki
Superintendent



Robert Brown
Interim Board Secretary/
Business Administrator

WEEHAWKEN BOARD OF EDUCATION
 WEEHAWKEN, NEW JERSEY
 ORGANIZATIONAL CHART
 JUNE 30, 2017



**WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2017**

Members of the Board of Education

Term Expires

Richard Barsa, President	2018
Joseph Rutigliano- Vice President	2018
John Cannata	2020
Mark Denfeld	2020
Susan Morales Jennings	2019
Gabrielle Jonas	Resigned 05/25/17
Francis Pizzuta	2019
Julian Brian Mera	2019
Noelberto Sanchez	2020

Other Officials

Dr. Robert R. Zywicki	Superintendent
Robert Brown	Interim Board Secretary/ Business Administrator
Hwey-Hwey "Vicky" Guo	Board Secretary/Business Administrator thru June 30, 2017
Lisa Toscano	Treasurer of School Moneys
Ryglicki & Gillman, P.C.	Attorney

WEEHAWKEN BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

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

Capital One Bank
4714 Park Avenue
Weehawken, New Jersey 07086

And

TD Bank
4200 Park Avenue
Weehawken, New Jersey 07086

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements (the "financial statements") as listed in the table of contents.

Management's Responsibility for Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 62 through 66 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial as listed in the table of contents. The accompanying supplementary (schedules/statements/information) and schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, ("Uniform Guidance") and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are presented for the purpose of additional analysis and is not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2017 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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



Garbarini & Co. P.C. CPAs

Carlstadt, New Jersey
October 25, 2017

Required Supplementary Information

Part I

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The discussion and analysis of the Weehawken School District's (the "District") financial performance provides an overall review of the Weehawken Board of Education's (the "Board") financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2017 are as follows:

- In total, net position is \$(3,402,271). Net position of governmental activities is \$(4,015,957), a decrease of \$(1,012,154), compared to fiscal year 2016. Net position of the business-type activity, which represents food service, and Latchkey Program, are \$613,686.
- Governmental Funds Revenues total \$27,374,037 and the Local Tax Levy is \$20,099,471. State Revenue is \$6,038,095 and the Federal Revenue is \$821,256.
- The District has experienced a slight decrease in student enrollment. Actual enrollment for the year ended June 30, 2017 was 1,347, which reflects a 1.75% decrease from the previous year.

Using the Basic Financial Statements

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

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

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Reporting the Weehawken School District as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole look at all financial transactions and asks the question, "How did we do financially during the fiscal year 2017?" The statement of net position and liabilities uses the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

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

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

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

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

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Reporting the Weehawken District's Most Significant Funds

Fund Financial Statements

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

Governmental Fund

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

Enterprise Fund

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

The Weehawken School District as a Whole

The perspective of the statement of net position is of the District as a whole. Table 1 provides a summary of the District's net position for 2017 with comparative totals for 2016 and 2015.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total assets equal \$13,372,581. Total assets for Governmental Activities is \$12,730,320. Total assets for Business Type Activities is \$642,261.

**Table 1
Net Position**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
	2017	2017	2017	2016	2015
Assets:					
Current and other assets	\$ 3,833,201	\$ 613,905	\$ 4,447,106	\$ 4,123,432	\$ 4,430,120
Capital assets, net	8,897,119	28,356	8,925,475	9,835,368	10,551,567
Total assets	<u>\$ 12,730,320</u>	<u>\$ 642,261</u>	<u>\$ 13,372,581</u>	<u>\$13,958,800</u>	<u>\$14,981,687</u>
Deferred outflow of resources					
Pension deferred outflows	<u>2,545,897</u>	<u></u>	<u>2,545,897</u>	<u>1,523,620</u>	<u>843,327</u>
Liabilities:					
Current and other liabilities	\$ 10,643,756	\$ 28,575	\$ 10,672,331	\$ 8,513,534	\$ 7,166,883
Long-term liabilities	8,371,716	-	8,371,716	9,158,379	9,962,558
Total liabilities	<u>\$ 19,015,472</u>	<u>\$ 28,575</u>	<u>\$ 19,044,047</u>	<u>\$ 17,671,913</u>	<u>\$ 17,129,441</u>
Deferred inflows of resources					
Pension deferred inflows	<u>276,702</u>	<u></u>	<u>276,702</u>	<u>94,733</u>	<u>283,758</u>
Net position:					
Invested in capital assets -					
Net of related debt	\$ 601,525	\$ 28,356	\$ 629,881	\$ 867,752	\$ 911,939
Restricted	1,218,893	-	1,218,893	1,569,634	1,992,889
Unrestricted	(5,836,375)	585,330	(5,251,045)	(4,721,612)	(4,493,023)
Total net position	<u>\$ (4,015,957)</u>	<u>\$ 613,686</u>	<u>\$ (3,402,271)</u>	<u>\$ (2,284,226)</u>	<u>\$ (1,588,185)</u>

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Table 2 reflects the change in net position for fiscal year 2017 with comparative data for 2016 and 2015.

Table 2					
<u>Changes in Net Position</u>					
	Governmental Activities	Business-type Activities	Total	Total	Total
	2017	2017	2017	2016	2015
Revenues:					
Program revenues:					
Charges for services	\$ 104,791	\$ 327,131	\$ 431,922	\$ 451,122	\$ 431,902
Operating grants and contributions	11,229,123	271,946	11,501,069	9,823,304	8,942,801
Total program revenues	11,333,914	599,077	11,932,991	10,274,426	9,374,703
General revenues:					
Property taxes	20,099,471		20,099,471	19,315,495	18,850,611
Grants and entitlements - budget vs. GAAP	(27,804)		(27,804)	(10,091)	(2,429)
Fixed asset retirements/adjustments - net	(36,478)	858	(35,620)	(3,054)	150,162
Adjustments: capital leases	52,022		52,022	67,012	(12,268)
Miscellaneous Adjustment-Pension Expense	(7,576)		(7,576)	-	-
Miscellaneous	310,424		310,424	388,063	132,774
Total general revenues	20,390,059	858	20,390,917	19,757,425	19,118,850
TOTAL REVENUES	31,723,973	599,935	32,323,908	30,031,851	28,493,553
Functional/program expenses:					
Instruction	17,740,397		17,740,397	16,207,903	14,935,950
Support services:			-	-	
Pupil and instructional staff	6,525,643		6,525,643	6,213,522	6,092,965
Bd. of ed., admin. and fiscal	3,802,082		3,802,082	3,178,230	2,829,395
Operation and maintenance of plant	2,541,032		2,541,032	2,288,342	2,253,858
Pupil transportation	1,464,490		1,464,490	1,473,370	1,362,554
Unallocated depreciation	64,330		64,330	77,949	89,734
Interest on long-term debt	390,150		390,150	415,378	459,744
Capital outlay - not capitalized	40,397		40,397	30,709	30,709
Charter Schools	167,882		167,882	141,643	118,305
Food service		389,693	389,693	446,942	417,006
Latchkey program		316,133	316,133	254,034	117,107
TOTAL EXPENSES	32,736,403	705,826	33,442,229	30,728,022	28,707,327
Excess /(deficiency) before special items and transfers	(1,012,430)	(105,891)	(1,118,321)	(696,171)	(213,774)
Special items:					
Prior Period Adjustment			-		
Transfers	276		276	130	12
Increase/(decrease) in net position	(1,012,154)	(105,891)	(1,118,045)	(696,041)	(213,762)
Net position - beginning of the year	(3,003,803)	719,577	(2,284,226)	(1,588,185)	(1,374,423)
Net position - end of the year	\$ (4,015,957)	\$ 613,686	\$ (3,402,271)	\$ (2,284,226)	\$ (1,588,185)

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The total decrease in Net Position for Governmental Activities is \$(1,012,154). The total decrease in Net Position for Business Type Activities is \$(105,891). The net decrease in Net Position is \$(1,118,045).

Governmental Activities

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

Table 3a
Governmental Activities

	Total Cost of Services <u>2016-2017</u>	Percent of Total
Instruction	\$ 17,740,397	54.19%
Support services:		
Pupil and instructional staff	6,525,643	19.93%
Administrative and fiscal	3,802,082	11.61%
Operation and maintenance of plant	2,541,032	7.76%
Pupil transportation	1,464,490	4.47%
Unallocated depreciation	64,330	0.20%
Capital outlay	40,397	0.12%
Interest on long-term debt	390,150	1.19%
Charter Schools	167,882	0.51%
Total expenses	\$ 32,736,403	100.00%

The Governmental Activities in the above chart demonstrate that \$17,740,397 are allocated to School Based Budgets and are identified as instruction. Additionally, pupil and instructional staff activities are \$6,525,643. The combined resources from instruction and pupil and instructional staff total \$24,266,040.

Together the aforementioned categories account for 74% of the Governmental Activities.

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

To date District has not been adversely impacted by Charter Schools. Currently, the contribution to Charter Schools by the District is \$167,882. The District sends a total of 9 students to four Charter Schools.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Business-Type Activity

	<u>Total Cost of Services 2016-2017</u>	<u>Percent of Total</u>
Revenue		
Charges for services	\$ 327,131	54.53%
Operating grants	<u>271,946</u>	45.33%
Total revenue	<u>599,077</u>	
Transfers/ Other	<u>858</u>	0.14%
Total revenue and transfers	<u><u>599,935</u></u>	<u><u>100.00%</u></u>
 Function/program expenses		
Food service	389,693	55.21%
Latchkey program	<u>316,133</u>	44.79%
Total expenses	<u><u>705,826</u></u>	<u><u>100.00%</u></u>
 Increase in net position	 <u><u>\$ (105,891)</u></u>	

The business-type activities of the District are the food service operation and Latchkey Program. These programs had revenues and transfers of \$599,935 and expenses of \$705,826 in fiscal year 2017. The District suggests that efforts continue to increase sales and reduce costs. The District and school administrators are committed and have concentrated efforts to ensure that all students who are eligible for free/reduced lunch submit the proper forms for eligibility in a timely manner.

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

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Sources of Revenue

The local tax revenue has been relatively stable for several years. The dependence upon state revenue for governmental activities is apparent. For all governmental activities, state revenues support over 22%. The community, as a whole, is 75% of the support and Federal revenue accounts for 3% of the total cost of programs for District students.

Table 4
Sources of Revenue

Fiscal Year Ended June 30	Local Tax Levy	Other Local Revenue	State Revenue	Federal Revenue	Total
2017	\$ 20,099,471	\$ 415,491	\$ 6,038,095	\$ 821,256	\$ 27,374,313

The total revenue from all sources is \$27,374,313.

The Weehawken School District's Funds

The District's governmental funds are accounted for using standards established by the Governmental Accounting Standard Board Memo No. 34. Total governmental funds had revenues and other financing sources of \$27,374,313 and expenditures and other financing uses of \$27,741,525. The positive fund balance for the year-end reflects what District was able to meet current costs.

General Fund Budgeting Highlights

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

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

For the General and Special Revenue Fund, final actual revenues and other financing sources, in the amount of \$26,281,264 were not above original budgeted revenues and other financing sources not taking into account TPAF on be-behalf payments and TPAF social security reimbursements. This was due to decrease in Miscellaneous revenue, Extra-ordinary aid and over budgeted amounts.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

General Fund Budgeting Highlights (Continued)

General Fund revenues and other financing sources were less than expenditures and other financing uses. This was partly due to the utilization of surplus as a budgeted revenue in the amount of \$916,215.

For the 2017-2018 District School Budget, \$523,133 of surplus was designated for subsequent years' expenditures. The allocation and projection of allocation of surplus are in compliance with New Jersey Department of Education Budgetary Guidelines.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the District had \$8,897,119 invested in capital assets, for governmental activities, representing a net decrease of \$904,254 compared to the prior year. This was attributable to depreciation expense which caused a decrease of \$ 1,006,220 and the increase was mainly due to the fixed asset additions in the amount of \$141,286. More detailed information about the District's capital assets and depreciation is presented in Note 3 to the financial statements.

Debt

At June 30, 2017, the District's outstanding debt issues included \$9,020,000 of general obligation bonds, obligations under capital leases of \$50,594 and compensated absences payable (presented in Note 7) of \$249,730. More detailed information about the District's long-term liabilities is presented in Note 4 of the financial statements.

Current Issues

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

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

Contacting the Weehawken School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
DISTRICT-WIDE FINANCIAL STATEMENTS
AT JUNE 30, 2017**

Exhibit A-1

STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,111,364	\$ 588,902	\$ 3,700,266
Receivables, net	627,178	20,178	647,356
Inventory		4,825	4,825
Restricted assets:			
Cash and cash equivalents	94,659		94,659
Capital assets: land	602,575		602,575
Capital assets: building & impr., machinery & equipment (net)	8,294,544	28,356	8,322,900
TOTAL ASSETS	12,730,320	642,261	13,372,581
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	2,545,897		2,545,897
LIABILITIES			
Accounts payable	2,326,552	28,575	2,355,127
Net Pension Liability (Note 7)	7,270,949		7,270,949
Deferred revenue	97,647		97,647
Noncurrent liabilities :			
Due within one year	948,608		948,608
Due beyond one year	8,371,716		8,371,716
TOTAL LIABILITIES	19,015,472	28,575	19,044,047
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	276,702		276,702
NET POSITION			
Invested in capital assets, net of related debt	601,525	28,356	629,881
Restricted for:			
Debt service	406		406
Capital projects	7,840		7,840
Other purposes	1,210,647		1,210,647
Unrestricted	(5,836,375)	585,330	(5,251,045)
TOTAL NET POSITION	\$ (4,015,957)	\$ 613,686	\$ (3,402,271)

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

WEEHAWKEN BOARD OF EDUCATION
DISTRICT-WIDE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
STATEMENT OF CHANGES IN NET POSITION

Exhibit A-2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 14,555,101	\$ -	\$ 5,328,354	\$ -	\$ (9,226,747)	\$ -	\$ (9,226,747)
Special education	1,904,892		502,176		(1,402,716)		(1,402,716)
Other special instruction	377,005		99,707		(277,298)		(277,298)
Other instruction	903,399		264,316		(639,083)		(639,083)
Support services:							
Tuition	3,003,394	104,791	1,554,101		(1,344,502)		(1,344,502)
Student & instruction related services	3,522,249		1,192,761		(2,329,488)		(2,329,488)
School administrative services	1,635,589		374,738		(1,260,851)		(1,260,851)
General and business administrative services	1,562,782		508,751		(1,054,031)		(1,054,031)
Central services	603,711		161,853		(441,858)		(441,858)
Plant operations and maintenance	2,541,032		842,325		(1,698,707)		(1,698,707)
Pupil transportation	1,464,490		150,232		(1,314,258)		(1,314,258)
Charter schools	167,882		86,870		(81,012)		(81,012)
Interest on long-term debt	390,150		162,939		(227,211)		(227,211)
Capital outlay - not capitalized	40,397				(40,397)		(40,397)
Unallocated depreciation	64,330				(64,330)		(64,330)
Total governmental activities	32,736,403	104,791	11,229,123	-	(21,402,489)	-	(21,402,489)
Business-type activities:							
Food service	389,693	118,963	271,946			1,216	1,216
Latchkey program	316,133	208,168				(107,965)	(107,965)
Total business-type activities	705,826	327,131	271,946	-	(106,749)	(106,749)	(106,749)
Total primary government	\$ 33,442,229	\$ 431,922	\$ 11,501,069	\$ -	\$ (21,402,489)	\$ (106,749)	\$ (21,509,238)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 19,127,272	\$ -	\$ 19,127,272
Taxes levied for debt service					972,199		972,199
Federal and State aid Budget vs. GAAP					(27,804)		(27,804)
Miscellaneous Income					310,424		310,424
Adjustment : Capital Leases Proceeds/Net of Payments					52,022		52,022
Adjustment : Fixed Asset Retirements /Adjustments					(36,478)	858	(35,620)
Miscellaneous Adjustment- Pension Expense					(7,576)		(7,576)
Transfers					276		276
Total general revenues, special items, extraordinary items and transfers					20,390,335	858	20,391,193
Change in Net Position					(1,012,154)	(105,891)	(1,118,045)
Net Position—beginning					(3,003,803)	719,577	(2,284,226)
Net Position—ending					\$ (4,015,957)	\$ 613,686	\$ (3,402,271)

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

FUND FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
AT JUNE 30, 2017**

Exhibit B-1

BALANCE SHEET

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,742,604	\$ 71,123	\$ 23,536	\$ -	\$ 2,837,263
Investments	368,760				368,760
Due from other funds	305,581			406	305,987
Receivables from other governments	180,732	422,702			603,434
	<u>\$ 3,597,677</u>	<u>\$ 493,825</u>	<u>\$ 23,536</u>	<u>\$ 406</u>	<u>\$ 4,115,444</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,141,303	\$ 185,249	\$ -	\$ -	\$ 2,326,552
Interfund payable		266,547	15,696		282,243
Deferred revenue		97,647			97,647
Total liabilities	<u>2,141,303</u>	<u>549,443</u>	<u>15,696</u>	<u>-</u>	<u>2,706,442</u>
Fund balances:					
Restricted fund balance:					
Reserved excess surplus- designated for subsequent year's expenditures	468,679				468,679
Reserve for excess surplus	327,583				327,583
Committed fund balance:					
Year-end encumbrances	359,931				359,931
Assigned fund balance:					
Designated for subsequent year's expenditures	54,454			130	54,584
Unassigned fund balance reported in:					
General fund	245,727				245,727
Special revenue fund		(55,618)			(55,618)
Debt service fund				276	276
Capital projects fund			7,840		7,840
Total fund balance	<u>1,456,374</u>	<u>(55,618)</u>	<u>7,840</u>	<u>406</u>	<u>1,409,002</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,597,677</u>	<u>\$ 493,825</u>	<u>\$ 23,536</u>	<u>\$ 406</u>	<u>\$ 4,115,444</u>

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

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. The cost of the assets is \$24,123,080 and the accumulated depreciation is \$15,225,961 (See Note 4)	8,897,119
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in fund financial statements. (See Note 7)	2,545,897
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund financial statements (See Note 7)	(276,702)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:	
Net Pension Liability	(7,270,949)
Bonds Payable	(9,020,000)
Capital Lease Payable	(50,594)
Compensated Absences Payable	(249,730)
Net position of governmental activities	<u>\$ (4,015,957)</u>

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 19,127,272	\$ -	\$ -	\$ 972,199	\$ 20,099,471
Tuition charges	104,791				104,791
Miscellaneous	310,424				310,424
Total - local sources	19,542,487	-	-	972,199	20,514,686
State sources	5,273,088	602,068		162,939	6,038,095
Federal sources	41,030	780,226			821,256
TOTAL REVENUE	24,856,605	1,382,294	-	1,135,138	27,374,037
EXPENDITURES					
Instruction:					
Regular instruction	6,974,775	1,146,219	-	-	8,120,994
Special education instruction	970,485				970,485
Other special instruction	192,689				192,689
Other instruction	510,807				510,807
Community service programs	-				-
Support services:					
Tuition	3,003,394				3,003,394
Student & instruction related services	2,169,705	58,731			2,228,436
School administrative services	724,203				724,203
Other administrative services	983,192				983,192
Central services	312,790				312,790
Plant operations and maintenance	1,625,109	1,415			1,626,524
Pupil transportation	1,080,711				1,080,711
Employee benefits	6,330,039	175,388			6,505,427
Transfer to charter school	167,882				167,882
Debt service:					
Principal				745,000	745,000
Interest and other charges				390,150	390,150
Capital outlay	96,501	-	82,340		178,841
TOTAL EXPENDITURES	25,142,282	1,381,753	82,340	1,135,150	27,741,525
Excess (Deficiency) of revenues over expenditures	(285,677)	541	(82,340)	(12)	(367,488)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	276	276
Transfers out	-	-	-		-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	276	276
Net change in fund balances	(285,677)	541	(82,340)	264	(367,212)
Fund balance—July 1	1,742,051	(56,159)	90,180	142	1,776,214
Fund balance—June 30	\$ 1,456,374	\$ (55,618)	\$ 7,840	\$ 406	\$ 1,409,002

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

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit B-3

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

Total net change in fund balances - governmental funds (from B-2) **\$ (367,212)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	\$ (1,006,220)	
State of NJ payment of debt service charged to capital outlay	(30,709)	
Equipment not capitalized	(9,688)	
Adjustments to Fixed Assets -donated equipment/retirements	(36,478)	
Capital outlay	<u>178,841</u>	(904,254)

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

(538,554)

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

Repayment of bond principal	745,000	
Repayment of capital leases	<u>52,022</u>	797,022

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

Compensated absences earned/(retired)		<u>844</u>
---------------------------------------	--	------------

Change in net position of governmental activities **\$ (1,012,154)**

**WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 AT JUNE 30, 2017**

Exhibit B-4

STATEMENT OF NET POSITION

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 116,570	\$ 472,332	\$ 588,902
Accounts receivable	20,178	-	20,178
Inventories	4,825	-	4,825
Total current assets	<u>141,573</u>	<u>472,332</u>	<u>613,905</u>
Noncurrent assets:			
Furniture, machinery & equipment	91,524	-	91,524
Less accumulated depreciation	(63,168)	-	(63,168)
Total noncurrent assets	<u>28,356</u>	<u>-</u>	<u>28,356</u>
TOTAL ASSETS	<u>\$ 169,929</u>	<u>\$ 472,332</u>	<u>\$ 642,261</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Due to payroll account	\$ 3,958	-	\$ 3,958
Due to general fund			-
Accounts payable	23,974	643	24,617
Total liabilities	<u>27,932</u>	<u>643</u>	<u>28,575</u>
Net position:			
Invested in capital assets net of related debt	28,356		28,356
Unrestricted	113,641	471,689	585,330
Total net position	<u>141,997</u>	<u>471,689</u>	<u>613,686</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 169,929</u>	<u>\$ 472,332</u>	<u>\$ 642,261</u>

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

**WEEHAWKEN BOARD OF EDUCATION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 86,913		86,913
Daily sales - non-reimbursable programs	31,096		31,096
Miscellaneous	954		954
Community service activities		208,168	208,168
Total operating revenues	<u>118,963</u>	<u>208,168</u>	<u>327,131</u>
Operating expenses:			
Cost of sales-reimbursable programs	129,403		129,403
Cost of sales-non-reimbursable programs	12,649		12,649
Cost of sales- food distribution program	37,091		37,091
Salaries	99,387	174,310	273,697
Payroll taxes/benefits	29,204		29,204
Repairs and maintenance	8,789		8,789
Administrative fees	36,635		36,635
Facility fees	-	125,000	125,000
Outside services	5,788		5,788
Liability insurance	1,363		1,363
Uniforms	493		493
General supplies	22,394	16,823	39,217
Depreciation	6,497		6,497
Total operating expenses	<u>389,693</u>	<u>316,133</u>	<u>705,826</u>
Operating (loss)	<u>(270,730)</u>	<u>(107,965)</u>	<u>(378,695)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,085		5,085
Federal sources:			
National school lunch program	228,947		228,947
Food distribution program	37,914		37,914
Gain on retirement of equipment/adjustment	858		858
Total non-operating revenues/(expenses)	<u>272,804</u>	<u>-</u>	<u>272,804</u>
Change in net position	2,074	(107,965)	(105,891)
Total net position—beginning	<u>139,923</u>	<u>579,654</u>	<u>719,577</u>
Total net position—ending	<u>\$ 141,997</u>	<u>\$ 471,689</u>	<u>\$ 613,686</u>

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

WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit B-6

STATEMENT OF CASH FLOWS

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
Cash flows from operating activities:			
Receipts from customers	\$ 117,485	\$ 208,169	\$ 325,654
(Payments) to employees	(99,387)	(174,310)	(273,697)
(Payments) for payroll taxes/employee benefits	(29,204)		(29,204)
(Payments) for use of facilities		(125,000)	(125,000)
(Payments) to suppliers	(229,567)	(16,944)	(246,511)
Net cash provided by (used for) operating activities	(240,673)	(108,085)	(348,758)
Cash flows from investing activities:			
Purchases of equipment		-	-
Net cash provided by (used for) investing activities	-	-	-
Cash flows from noncapital financing activities:			
State Sources	5,769		5,769
Federal Sources	260,863		260,863
Transfers to other funds		(100,000)	(100,000)
Net cash provided by (used for) non-capital financing activities	266,632	(100,000)	166,632
Net increase (decrease) in cash and cash equivalents	25,959	(208,085)	(182,126)
Balances—beginning of year	90,611	680,417	771,028
Balances—end of year	\$ 116,570	\$ 472,332	\$ 588,902
Reconciliation of operating (loss) to net cash provided by (used for) operating activities:			
Operating (loss)	\$ (270,730)	\$ (107,965)	\$ (378,695)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	6,497		6,497
Food distribution program	37,914		37,914
(Increase) decrease in accounts receivable, net	(1,478)		(1,478)
(Increase) decrease in inventories	266		266
Increase (decrease) in current liabilities	(13,142)	(120)	(13,262)
Total adjustments	30,057	(120)	29,937
Net cash provided by (used for) operating activities	\$ (240,673)	\$ (108,085)	\$ (348,758)

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

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
AT JUNE 30, 2017**

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION

	<u>Expendable Trust Funds</u>	<u>Nonexpendable Trust</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 6,151	\$ 1,000	\$ 176,452
Due from food service fund	-	-	3,958
TOTAL ASSETS	<u>\$ 6,151</u>	<u>\$ 1,000</u>	<u>\$ 180,410</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Interfund payable - general fund	-	-	23,744
Payable to student groups	-	-	79,206
Payroll deductions and withholdings	-	-	77,460
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>180,410</u>
Net Position:			
Held in trust for other purposes	6,151	-	-
Reserved for scholarships	-	1,000	-
TOTAL NET POSITION	<u>6,151</u>	<u>1,000</u>	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,151</u>	<u>\$ 1,000</u>	<u>\$ 180,410</u>

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

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit B-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>Expendable Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Investment earnings:		
Interest	\$ 39	\$ -
Net investment earnings	<u>39</u>	<u>-</u>
 TOTAL ADDITIONS	 <u>39</u>	 <u>-</u>
DEDUCTIONS		
Transfer to student activity fund	1,000	-
 TOTAL DEDUCTIONS	 <u>1,000</u>	 <u>-</u>
 Change in net position	 (961)	 -
 Net position—beginning of the year	 <u>7,112</u>	 <u>1,000</u>
Net position—end of the year	<u>\$ 6,151</u>	<u>\$ 1,000</u>

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

NOTES TO FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Weehawken School District (the "District") is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the District functions independently through the Weehawken Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2017 of 1,347 students.

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

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

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

B. Accounting Standards

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Accounting Standards (Continued)

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

C. Basic Financial Statements – District-Wide Statements

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

D. Fund Financial Statements

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

Governmental Funds

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

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

See independent auditor's report

WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued):

Governmental Funds (Continued)

General Fund (Continued):

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

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

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

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

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

Proprietary Fund

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

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Proprietary Fund (Continued)

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

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

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

Fiduciary Funds

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

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

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Fiduciary Fund (Continued)

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

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

E. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

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

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

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

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

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

F. Budgets / Budgetary Control

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets / Budgetary Control (Continued)

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

G. Encumbrances

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

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

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

H. Cash, Cash Equivalents, and Investments

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

I. Tuition Receivable

Tuition charges for the fiscal year 2016-2017 were established by the Board based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors that will benefit periods beyond June 30, 2017. The District did not have any prepaid expenses at June 30, 2017.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Short-Term Interfund Receivables/Payables

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

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

M. General Fixed Assets

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

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

District-Wide Statements

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

District-Wide Statements (Continued)

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

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

Fund Financial Statements

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

In accordance with GAAP, the District accounts for compensated absences (e.g., unused vacation, sick leave). A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

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

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

O. Deferred Revenue

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

P. Long-Term Obligations

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

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Equity Classifications

District-Wide Statements

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

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

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

R. Net Position

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

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

S. Operating and Nonoperating Revenue

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

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Expenditures/Expenses

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

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

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund – By Operating and Nonoperating

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

U. Use of Estimates

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

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

As of June 30, 2017, the District's deposits and investments are summarized as follows:

Reconciliation to District-Wide statement of net position:

Unrestricted cash	\$ 3,700,266
Restricted cash	94,659
Trust and Agency Fund cash (not included in District-Wide statements)	183,603
	\$ 3,978,528

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

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

As of June 30, 2017, the District had \$368,760 on deposit with the New Jersey Cash Management Fund.

As of June 30, 2017, the District implemented disclosure requirements of GASB No. 40 *Deposits and Investment Risk Disclosures* and, accordingly, the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Cash Equivalents and Investments.

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Custodial Credit Risk (cont)-As of June 30, 2017, the District's bank balance was not exposed to custodial credit risk since the full amount was covered by either FDIC insurance or GUDPA. The New Jersey Cash Management Fund which is administered by the State of New Jersey Department of the Treasury invests pooled monies from various State and non-State agencies in primarily short-term investments. The investments include: US Treasuries, Short-Term Commercial Paper, US Government Agency Bonds, Corporate Bonds, and Certificated of Deposits. Agencies that are part of the Fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The District does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

As of June 30, 2017, there were no investments in the District's portfolio. The District does not have a formal policy for investment securities custodial risk other than to maintain a safekeeping account for the securities at a financial institution.

- (b) *Concentration of Credit Risk* - This is the risk associated with the amount of investments the District has with any one issuer that exceed 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments were excluded from this requirement. The District places no limit on the amount it may invest in any one issuer. As of June 30, 2017, the District was not exposed to a concentration of credit risk.
- (c) *Credit Risk* - GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the District does not have an investment policy regarding Credit Risk except to the extent previously outlined under the District's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) *Interest Rate Risk* - This is the risk that changes in the interest rates will adversely affect the fair value of investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the District does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investments would provide higher yields that lower the cost and risk.

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3. CAPITAL ASSETS AND DEPRECIATION

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

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

Donated capital assets are capitalized at estimated fair market value on the date donated. Capital outlay of \$178,841 (Exhibit B-2) reconciles to additions in the fixed assets schedule of \$141,266, except for (\$30,709) which was debt service aid withheld from the District's State aid payments and (\$9,688) for purchased charged to capital outlay but not capitalized. Asset deletions and adjustments net (\$36,478).

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: building - 50 years, improvements - 20 years, equipment 5 to 10 years. Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Adjustment/ Disposals	Balance June 30, 2017
Governmental activities:				
Land	\$ 602,575	\$ -	\$ -	\$ 602,575
Buildings & building improvements	21,668,457	82,340		21,750,797
Machinery & equipment	1,896,558	58,946	(185,796)	1,769,708
Totals at historic cost	<u>24,167,590</u>	<u>141,286</u>	<u>(185,796)</u>	<u>24,123,080</u>
Less accumulated depreciation				
Buildings & building improvements	(13,473,057)	(840,780)		(14,313,837)
Machinery & equipment	(893,160)	(165,440)	146,476	(912,124)
Total accumulated depreciation	<u>(14,366,217)</u>	<u>(1,006,220)</u>	<u>146,476</u>	<u>(15,225,961)</u>
Governmental activities capital				
Assets, net	<u>\$ 9,801,373</u>	<u>\$ (864,934)</u>	<u>\$ (39,320)</u>	<u>\$ 8,897,119</u>
Business-type activities:				
Machinery & equipment	\$ 93,603		\$ (2,079)	\$ 91,524
Totals at historic cost	<u>93,603</u>	<u>-</u>	<u>(2,079)</u>	<u>91,524</u>
Less accumulated depreciation				
Machinery & equipment	(59,608)	(6,497)	2,937	(63,168)
Business-type activities capital				
Assets, net	<u>\$ 33,995</u>	<u>\$ (6,497)</u>	<u>\$ 858</u>	<u>\$ 28,356</u>

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3. CAPITAL ASSETS AND DEPRECIATION (Continued)

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

Instruction:	
Regular	\$ 311,700
Special education	-
Other instruction	-
Total instruction	<u>311,700</u>
Support services:	
Student & instructional related services	151,347
School administrative services	6,806
General & business administrative services	325,178
Operation & maintenance of plant	102,903
Student transportation	43,956
Unallocated depreciation	64,330
Total support services	<u>694,520</u>
Total depreciation expense	<u>\$ 1,006,220</u>

NOTE 4. LONG-TERM DEBT

The Board's long-term debt is summarized as follows, it does not include \$16,000,000 Bond issue dated July 27, 2017:

As of June 30, 2017, the governmental long-term debt of the District consisted of the following:

Bonds payable:	
Current portion	\$ 755,000
Non current portion	8,265,000
Accrued compensated absences:	
Current portion	159,255
Non current portion	90,475
Obligations under capital leases	
Current portion	34,353
Non current portion	16,241
Total governmental activity debt	<u>\$ 9,320,324</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4. LONG-TERM DEBT (Continued)

As of June 30, 2017, there was no long-term debt payable from proprietary fund resources. During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group; not including \$16,000,000 Bond issue dated July, 27, 2017.

	Balance June 30, 2016	Issued	Retired/ Adjustments	Balance June 30, 2017	Amounts Due Within One Year	Long Term Portion
Bonds payable	\$ 9,765,000		\$ (745,000)	\$ 9,020,000	\$ 755,000	\$ 8,265,000
Obigations under Capital leases	102,616		(52,022)	50,594	34,353	16,241
Compensated Absences Payable	250,574	31,501	(32,345)	249,730	159,255	90,475
June 30;	<u>\$ 10,118,190</u>	<u>\$ 31,501</u>	<u>\$ (829,367)</u>	<u>\$ 9,320,324</u>	<u>\$ 948,608</u>	<u>\$ 8,371,716</u>

A. Bonds Payable

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	755,000	360,138	1,115,138
2019	785,000	327,133	1,112,133
2020	810,000	292,843	1,102,843
2021	980,000	256,318	1,236,318
2022	895,000	215,708	1,110,708
Thereafter	4,795,000	713,567	5,508,567
	<u>\$ 9,020,000</u>	<u>\$ 2,165,704</u>	<u>\$ 11,185,704</u>

Bonds issued after the FYE June 30th in the amount of \$16,000,000 on July 27, 2017 are not reflected in these schedules.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4. LONG-TERM DEBT (Continued)

B. Capital Leases

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	34,353	1,231	35,584
2019	16,241	387	16,628
	\$ 50,594	\$ 1,618	\$ 52,212

NOTE 5. PENSION PLANS

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

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

Summary of Significant Accounting Policies TPAF- For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$70,461,723 as measured on June 30, 2016 and \$56,552,535 as measured on June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$5,294,218 and revenue of \$5,294,218 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon changes in the collective net pension liability between July 1, 2015 and June 30, 2016.

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

	<u>06/30/16</u>	<u>06/30/15</u>
Collective deferred outflows of resources	\$17,440,003,201	\$7,522,890,856
Collective deferred inflows of resources	195,027,919	623,365,110
Collective net pension liability (Nonemployer- State of New Jersey)	79,028,907,033	63,577,864,440
State's portion of the net pension liability that was associated with the district	70,461,723	56,552,535
State's portion of the net pension liabilities that was associated with the district as a percentage of the collective net pension liability	.0895703281%	.0894758141%

Actuarial Assumptions- The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases 2012-2021:	Varies based on experience
Thereafter:	Varies based on experience
Investment Rate of Return:	7.65%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013. The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long- Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds-MultiStrategy	5.00%	3.70%
Hedge Funds-Equity Hedge	3.75%	4.72%
Hedge Funds-Distressed	3.75%	3.49%

Discount Rate: The discount rate used to measure the State's total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.9%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf17.pdf>

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

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2016, the District reported a liability of \$7,270,949 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2016 and 2015. At June 30, 2016, the District's proportion was 0.024598%, which was a decrease of 0.00016% from its proportion measured as of June 30, 2015.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$750,053. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Pension Reports Dated:	June 30, 2016		June 30, 2015	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 135,218	\$ -	\$ 140,565	\$ -
Changes of assumptions	1,506,152		632,763	
Net difference projected and actual earnings on pension plan investments	277,248			94,733
Changes in proportion and differences between District and proportionate share of contributions	408,204	276,702	524,632	
District contributions subsequent to the measurement date	219,075		225,660	
Total	<u>\$ 2,545,897</u>	<u>\$ 276,702</u>	<u>\$ 1,523,620</u>	<u>\$ 94,733</u>

\$219,075 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability measured as of June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2017	\$ 373,739
2018	373,739
2019	373,739
2020	373,739
2021	373,739
Thereafter	(95,823)
Total	<u>\$ 1,772,872</u>

	<u>6/30/2016</u>	<u>6/30/2015</u>
Collective deferred outflows of resources	\$8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability (Non-State-Local Group)	49,474,698,146	22,447,996,119
District's portion of net pension liability	7,270,949	5,892,087
District's proportion %	0.0245498094%	0.0262477204%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

Actuarial assumptions. The collective total pension liability for June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The actuarial valuation used the following actuarial assumptions:

Inflation:	3.08%
Salary Increases:	
Through 2026	1.65% – 4.15% based on age
Thereafter	2.65% – 5.15% based on age
Investment Rate of Return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disability Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. To the extent the actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65 % at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/ Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

Discount rate. The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.9%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2016 and 2015, calculated using the discount rate of 3.98% and 4.90% respectively, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2016	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(2.98%)</u>	<u>3.98%</u>	<u>4.98%</u>
District's proportionate share of the net pension liability	\$ 8,909,699	\$ 7,270,949	\$ 5,918,019
June 30, 2015	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(3.90%)</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the net pension liability	\$ 5,744,518	\$ 4,761,481	\$ 3,938,678

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

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

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

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

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

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

Three – Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/17	\$ 219,075	100%	0
06/30/16	225,660	100%	0
06/30/15	209,654	100%	0

Three – Year Trend Information for TPAF

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/17	\$ 1,748,661	100%	0
06/30/16	1,571,046	100%	0
06/30/15	1,251,673	100%	0

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5. PENSION PLANS (Continued)

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$1,748,661 to the TPAF for normal, post retirement benefits, and long term disability benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$682,962 during the year ended June 30, 2017 for employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as a revenue and an expenditure. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 6. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go beginning fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:
<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

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

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7. COMPENSATED ABSENCES

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

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

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the governmental fund types is recorded as a current and long-term liability. The current portion of the compensated absence balance is \$159,255 and long-term liability balance of compensated absences is \$90,475. The total balance of compensated absences payable was \$249,730 as of June 30, 2017.

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, 2017, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: 1) Equitable, 2) Met Life, 3) Valic, and 4) Lincoln Investment.

NOTE 9. RISK MANAGEMENT

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 305,581	
Special revenue fund		266,547
Capital project fund		15,696
Debt Service Fund	406	
Enterprise Funds		3,958
Fiduciary funds	3,958	23,744
Total	<u>\$ 309,945</u>	<u>\$ 309,945</u>

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

NOTE 11. INVENTORY

Ending inventory in the Food Service Fund at June 30, 2017 was \$4,825.

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

NOTE 12. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,456,374 General Fund balance at June 30, 2017, \$ 327,583 is committed and reserved for encumbrances; \$327,583 is restricted and reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$468,679 of the total reserve for excess surplus and \$54,454 assigned fund balance has been appropriated and included as anticipated revenue for the year ending June 30, 2018 in the total amount of \$523,123; and \$245,727 is unassigned and undesignated.

Capital Projects Fund - Of the \$7,840 Capital Project Fund balance at June 30, 2017, \$0 is committed and reserved for encumbrances; \$7,870 unassigned and undesignated.

Debt Service Fund - Of the \$406 Debt service Fund balance at June 30, 2017, \$130 has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2018; and \$276 is unassigned and undesignated.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12. FUND BALANCE APPROPRIATED (Continued):

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

	Governmental Activities	Business-Type Activities	Total
Fund balance/net position	\$ 3,833,201	\$ 585,330	\$ 4,418,531
Add: Capital assets, net of A/D	8,897,119	28,356	8,925,475
Add: Deferred Inflows net With Deferred Outflows	2,269,195		2,269,195
Less: Long-term liabilities	(19,015,472)		(19,015,472)
Total net position	<u>\$ (4,015,957)</u>	<u>\$ 613,686</u>	<u>\$ (3,402,271)</u>

NOTE 13. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$55,618 in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District does not have a deficit in the GAAP funds statements, and therefore is less than the last state aid payment.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14. BUDGETS / BUDGETARY CONTROLS

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 24,884,950	\$ 1,396,314
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(14,561)
Prior year encumbrances expended		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	(208,486)	(55,618)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	180,141	56,159
	<u>\$ 24,856,605</u>	<u>\$ 1,382,294</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 25,142,282	\$ 1,396,314
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(14,561)
Prior year encumbrances expended		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund.		
	<u>\$ 25,142,282</u>	<u>\$ 1,381,753</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.		

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 15. CALCULATION OF EXCESS SURPLUS

Pursuant to N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$327,583.

NOTE 16. CONTINGENT LIABILITIES

Litigation

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

Grants

The District received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes and effective internal control for the proper administration of the funds. The District is subject to the provisions of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the District be audited in conjunction with the audit of the general-purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of June 30, 2017, the District estimates that no material liabilities will result from such audits.

NOTE 17. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. The Township of Weehawken has entered into three payments in lieu of tax (PILOT) exemptions which include: Hartz Estuary, Roseland Building # 13, and Housing Authority (5 parcels). Total pilot payments when compared to amount of taxes that would have been assessed for the three properties total \$2,868,572 in PILOT payments vs. \$5,318,132 of taxes that would have been assessed.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 18. SUBSEQUENT EVENTS

Management has reviewed subsequent events through October 25, 2017, which is the date the financial statements were available to be issued. There has been no new debt authorized as of October 25, 2017, however the District approved \$16,000,000 School Bonds, Series 2017 dated July 27, 2017. The new project includes (a) building improvements and upgrades to the Daniel Webster Elementary School, Theodore Roosevelt Elementary School and Weehawken High School, including life safety system upgrades, sound system upgrades, and interior renovations; (b) to undertake improvements and upgrades to the science classrooms/laboratories at Weehawken High School. The approved State Aid for school facilities projects is in the form of annual debt service aid, with the amount of such annual State Aid to be 40% of the annual principal and interest payable on the \$15,775,363 bonds, being the final project costs approved by the State for school facilities projects pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000,c.72.

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Required Supplementary Information

Part II

BUDGETARY COMPARISON SCHEDULES

**WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

BUDGETARY COMPARISON SCHEDULE

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES					
Local sources:					
Local tax levy	\$ 19,127,272	\$ -	\$ 19,127,272	\$ 19,127,272	\$ -
Tuition	93,000	-	93,000	104,791	11,791
Miscellaneous	350,000	-	350,000	310,424	(39,576)
Total - local sources	<u>19,570,272</u>	<u>-</u>	<u>19,570,272</u>	<u>19,542,487</u>	<u>(27,785)</u>
State Sources:					
Adjustment aid	1,441,112	-	1,441,112	1,441,112	-
Transportation aid	150,232	-	150,232	150,232	-
Special education aid	740,426	-	740,426	740,426	-
Security aid	351,824	-	351,824	351,824	-
Extraordinary aid	200,000	-	200,000	147,102	(52,898)
PARCC readiness aid	12,510	-	12,510	12,510	-
Per pupil growth aid	12,510	-	12,510	12,510	-
Professional learning comm. aid	13,590	-	13,590	13,590	-
Host District Support aid	504	-	504	504	-
TPAF pension (on-behalf - non-budgeted)	-	-	-	952,250	952,250
TPAF post retirement medical contributions (on-behalf - non-budgeted)	-	-	-	793,440	793,440
TPAF long term disability insurance contributions (on-behalf-non-budgeted)	-	-	-	2,971	2,971
TPAF social security (reimbursed - non-budgeted)	-	-	-	682,962	682,962
Total - state sources	<u>2,922,708</u>	<u>-</u>	<u>2,922,708</u>	<u>5,301,433</u>	<u>2,378,725</u>
Federal sources:					
Medical assistance program- ARRA	-	-	-	2,097	2,097
Medical assistance program	28,546	-	28,546	38,933	10,387
Total - federal sources	<u>28,546</u>	<u>-</u>	<u>28,546</u>	<u>41,030</u>	<u>12,484</u>
TOTAL REVENUES	<u>22,521,526</u>	<u>-</u>	<u>22,521,526</u>	<u>24,884,950</u>	<u>2,363,424</u>
EXPENDITURES					
INSTRUCTION					
Current expenses:					
Regular programs - instruction:					
Regular programs - instruction:					
Preschool/kindergarten - salaries of teachers	320,000	1,600	321,600	318,988	2,612
Grades 1-5 - salaries of teachers	2,461,500	9,206	2,470,706	2,462,839	7,867
Grades 6-8 - salaries of teachers	1,636,700	(136,353)	1,500,347	1,495,369	4,978
Grades 9-12 - salaries of teachers	1,640,000	254,517	1,894,517	1,892,285	2,232
Regular programs - home instruction:					
Salaries of teachers	14,000	1,960	15,960	15,960	-
Other purchased services (400-500 series)	3,000	(1,960)	1,040	-	1,040
Regular programs - undistributed instruction:					
Purchased professional-educational services	85,200	(38,000)	47,200	42,330	4,870
Purchased technical services	148,000	(15,500)	132,500	124,175	8,325
Leased instructional equipment	195,500	(68,229)	127,271	120,491	6,780
Other purchased services (400-500 series)	73,500	(37,800)	35,700	25,663	10,037
General/teaching supplies	262,800	32,511	295,311	280,224	15,087
Textbooks	259,034	(60,500)	198,534	184,880	13,654
Other objects	22,300	(7,053)	15,247	11,571	3,676
Total regular programs - instructions	<u>7,121,534</u>	<u>(65,601)</u>	<u>7,055,933</u>	<u>6,974,775</u>	<u>81,158</u>
Special education - instructions:					
Learning and/or language disabilities:					
General supplies					
Total learning and/or language disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource room/resource center:					
Salaries of teachers	811,350	6,000	817,350	815,458	1,892
Other salaries for instruction	307,000	(148,000)	159,000	154,427	4,573
General supplies	1,500	-	1,500	600	900
Textbooks	1,500	-	1,500	-	1,500
Total resource room/resource center	<u>1,121,350</u>	<u>(142,000)</u>	<u>979,350</u>	<u>970,485</u>	<u>8,865</u>
Total special education - instruction	<u>1,121,350</u>	<u>(142,000)</u>	<u>979,350</u>	<u>970,485</u>	<u>8,865</u>
Bilingual education - instruction:					
Salaries of teachers	191,500	-	191,500	191,314	186
General supplies	3,300	-	3,300	1,375	1,925
Textbooks	5,000	-	5,000	-	5,000
Total bilingual education - instruction	<u>199,800</u>	<u>-</u>	<u>199,800</u>	<u>192,689</u>	<u>7,111</u>
School-spon. co curricular actvts. - instruction:					
Salaries	95,000	(13,497)	81,503	81,503	-
Supplies and materials	18,625	(2,939)	15,686	5,022	10,664
Other objects	10,000	6,865	16,865	10,430	6,435
Total school-spon. co curricular actvts. - instruction	<u>123,625</u>	<u>(9,571)</u>	<u>114,054</u>	<u>96,955</u>	<u>17,099</u>

**WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

BUGETARY COMPARISON SCHEDULE

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
School-spon. co curricular athletics - instruction:					
Salaries	\$ 245,000	\$ 83,647	\$ 328,647	\$ 325,995	\$ 2,652
Purchased services	2,000	(2,000)	-	-	-
Supplies and materials	70,000	9,235	79,235	75,552	3,683
Other objects	21,000	(5,000)	16,000	12,305	3,695
Total school-spon. co curricular athletics - instruction	<u>338,000</u>	<u>85,882</u>	<u>423,882</u>	<u>413,852</u>	<u>10,030</u>
TOTAL INSTRUCTION	<u>8,904,309</u>	<u>(131,290)</u>	<u>8,773,019</u>	<u>8,648,756</u>	<u>124,263</u>
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	989,303	118,246	1,107,549	1,078,120	29,429
Tuition to CSSD & regional day schools	1,320,000	(333,856)	986,144	968,604	17,540
Tuition to private schools for the disabled - within state	1,090,000	(112,961)	977,039	944,082	32,957
Tuition State facilities	4,500	-	4,500	-	4,500
Tuition - Other	-	14,000	14,000	12,588	1,412
Total undistributed expenditures - instruction	<u>3,403,803</u>	<u>(314,571)</u>	<u>3,089,232</u>	<u>3,003,394</u>	<u>85,838</u>
Undistributed expend. - attend. & social work:					
Salaries	15,000	(10,000)	5,000	750	4,250
Other purchased services (400-500 series)	900	-	900	-	900
Total undistributed expend. - attend. & social work	<u>15,900</u>	<u>(10,000)</u>	<u>5,900</u>	<u>750</u>	<u>5,150</u>
Undistributed expenditures - health services:					
Salaries	122,000	23,000	145,000	144,567	433
Purchased professional and technical services	17,850	15,579	33,429	28,437	4,992
Supplies and materials	6,300	685	6,985	2,737	4,248
Other objects	2,000	(449)	1,551	334	1,217
Total undistributed expenditures - health services	<u>148,150</u>	<u>38,815</u>	<u>186,965</u>	<u>176,075</u>	<u>10,890</u>
Undist. expend. - speech, OT, PT and other supp. serv. students - related serv.:					
Salaries	148,000	15,000	163,000	160,655	2,345
Purchased professional - educational service	250,000	468,133	718,133	647,500	70,633
Supplies and materials	6,000	600	6,600	6,121	479
Other objects	1,000	(600)	400	164	236
Total undist. expend. - speech, OT, PT and - related serv.	<u>405,000</u>	<u>483,133</u>	<u>888,133</u>	<u>814,440</u>	<u>73,693</u>
Undist. expend. - other supp. serv. guidance- students-reg.:					
Extra-ordinary services	78,000	(33,865)	44,135	38,329	5,806
Salaries of other professional staff	206,700	14,195	220,895	209,823	11,072
Purchased professional - educational service	29,000	6,200	35,200	35,139	61
Purchased service testing	-	2,800	2,800	800	2,000
Travel	-	2,000	2,000	1,910	90
Supplies and materials	6,000	2,805	8,805	6,922	1,883
Other objects	2,000	(2,000)	-	-	-
Total undist. expend. - other supp. serv. guidance - students - reg.	<u>321,700</u>	<u>(7,865)</u>	<u>313,835</u>	<u>292,923</u>	<u>20,912</u>
Undist. expend. - other supp. serv. students - spl- child study teams:					
Salaries of other professional staff	320,000	-	320,000	313,081	6,919
Travel	2,000	-	2,000	691	1,309
Misc. purchased serv. (400 - 500 series o/than resid. costs)	2,000	365	2,365	450	1,915
Supplies and materials	4,000	305	4,305	3,757	548
Other objects- Misc expense instruction CST	1,000	-	1,000	712	288
Total undist. expend. - other supp. serv. students - spl- child study teams	<u>329,000</u>	<u>670</u>	<u>329,670</u>	<u>318,691</u>	<u>10,979</u>
Undist. expend. - improvement of inst. serv.:					
Salaries of supervisor of instruction	248,500	(3,000)	245,500	225,000	20,500
Travel	4,500	4,500	4,500	3,463	1,037
Total undist. expend. - improvement of inst. serv.	<u>248,500</u>	<u>1,500</u>	<u>250,000</u>	<u>228,463</u>	<u>21,537</u>
Undist. expend. - edu. media serv./sch. library:					
Salaries	237,242	(38,000)	199,242	176,711	22,531
Salaries of technology coordinators	100,000	15,000	115,000	115,000	-
Purchased professional and technical services	3,000	(1,439)	1,561	-	1,561
Travel	600	2,000	2,600	1,424	1,176
Supplies and materials	19,000	(2,965)	16,035	7,461	8,574
Other objects	4,000	-	4,000	1,335	2,665
Total undist. expend. - edu. media serv./sch. Library	<u>363,842</u>	<u>(25,404)</u>	<u>338,438</u>	<u>301,931</u>	<u>36,507</u>
Undist. expend. - instructional staff training serv.:					
Purchased professional - educational service	76,000	(17,450)	58,550	36,432	22,118
Total undist. expend. - instructional staff training serv.	<u>76,000</u>	<u>(17,450)</u>	<u>58,550</u>	<u>36,432</u>	<u>22,118</u>
Undist. expend. - supp. serv. - general admin.:					
Salaries	245,000	30,000	275,000	264,072	10,928
Legal services	60,000	13,000	73,000	61,703	11,297
Audit fees	62,500	13,500	76,000	73,677	2,323
Other purchased professional services	74,500	(2,511)	71,989	70,679	1,310
Purchased technical services	15,000	(5,700)	9,300	7,903	1,397
Communications/telephone	108,000	60,000	168,000	152,441	15,559
Travel-Superintendent	3,000	-	3,000	2,375	625
Other purchased services	43,800	30,000	73,800	55,820	17,980
Supplies and materials	13,000	5,200	18,200	17,772	428
Miscellaneous expenditures	3,500	3,000	6,500	5,489	1,011
BOE membership dues and fees	14,000	(1,200)	12,800	12,272	528
Total undist. expend. - supp. serv. - general admin.	<u>642,300</u>	<u>145,289</u>	<u>787,589</u>	<u>724,203</u>	<u>63,386</u>
Undist. expend. - support serv. - school admin.:					
Salaries of principals/assistant principals	704,700	50,969	755,669	729,086	26,583
Salaries of secretarial and clerical assistants	289,000	(63,500)	225,500	209,839	15,661
Purchased professional and technical services	5,000	-	5,000	-	5,000
Travel	1,300	6,400	7,700	7,029	671
Supplies and materials	10,038	6,713	16,751	12,587	4,164
Other objects	26,500	1,032	27,532	24,651	2,881
Total undist. expend. - support serv. - school admin.	<u>1,036,538</u>	<u>1,614</u>	<u>1,038,152</u>	<u>983,192</u>	<u>54,960</u>

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

**WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit C-1

BUGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
Undist. expend. - central services:					
Salaries	\$ 340,500	\$ (30,000)	\$ 310,500	\$ 301,968	\$ 8,532
Purchased professional services	2,000	-	2,000	2,000	-
Travel	500	-	500	500	-
Supplies and materials	10,000	(1,796)	8,204	5,984	2,220
Other Objects	2,000	2,000	4,000	2,838	1,162
Total undist. expend. - central services	<u>355,000</u>	<u>(29,796)</u>	<u>325,204</u>	<u>312,790</u>	<u>12,414</u>
Undist. expend. - allowable maintenance for school facilities: -					
Cleaning, repair, and maintenance services	149,000	(20,000)	129,000	108,251	20,749
General supplies	5,000	-	5,000	1,307	3,693
Total undist. expend. - allowable maintenance for school facilities	<u>154,000</u>	<u>(20,000)</u>	<u>134,000</u>	<u>109,558</u>	<u>24,442</u>
Undist. expend. - other oper. & maint. of plant - custodial services:					
Salaries	588,000	(7,265)	580,735	571,334	9,401
Salaries of non-instructional aides	95,000	-	95,000	94,128	872
Purchased professional and technical services	98,000	(13,000)	85,000	84,750	250
Cleaning, repair and maintenance services	85,000	38,000	123,000	115,186	7,814
Other purchased property services	74,000	(30,500)	43,500	42,140	1,360
Insurance	232,490	(6,250)	226,240	222,402	3,838
Travel	500	-	500	500	-
General supplies	95,000	(3,733)	91,267	61,866	29,401
Energy (electricity)	175,000	(130,656)	44,344	33,885	10,459
Other objects	4,000	3,000	7,000	4,442	2,558
Energy (natural gas)	160,000	61,656	221,656	216,711	4,945
Total undist. expend. - other oper. & maint. of plant - custodial services	<u>1,606,990</u>	<u>(88,748)</u>	<u>1,518,242</u>	<u>1,446,844</u>	<u>71,398</u>
Undist. expend. - security:					
Salaries	57,000	19,000	76,000	68,707	7,293
General supplies	1,000	(400)	600	600	-
Total undist. expend. - security	<u>58,000</u>	<u>18,600</u>	<u>76,600</u>	<u>69,307</u>	<u>7,293</u>
Total undist. expend. - oper. & maint. of plant	<u>1,818,990</u>	<u>(90,148)</u>	<u>1,728,842</u>	<u>1,625,109</u>	<u>103,733</u>
Undist. expend. - student transportation serv.:					
Salaries of non-instructional aids	70,000	(48,600)	21,400	21,392	8
Sal. for pup. trans. (bet home and school) - regular	150,000	45,000	195,000	194,172	828
Sal. for pup. trans. (bet home and school) - special	55,000	-	55,000	54,444	556
Sal. for pup. trans. (other than bet. home and school)	45,000	38,000	83,000	82,716	284
Cleaning, repair and maintenance services	55,000	15,000	70,000	69,207	793
Lease purchase payments - school buses	60,000	(3,659)	56,341	56,341	-
Aid in lieu of charter school	3,500	-	3,500	1,768	1,732
Contract services - (other than between home and school) - vendors	3,500	(1,341)	2,159	-	2,159
Special ed. - joint agreement	62,000	(25,180)	36,820	36,818	2
Contract services regular education students	60,000	-	60,000	-	60,000
Transportation services- CTSA special education	460,000	61,178	521,178	521,178	-
Travel	500	-	500	500	-
Misc. purchased serv. - transportation	26,500	-	26,500	21,898	4,602
Supplies and materials	55,000	(30,000)	25,000	18,577	6,423
Other objects	8,000	-	8,000	2,200	5,800
Total undist. expend. - student transportation serv.	<u>1,114,000</u>	<u>50,398</u>	<u>1,164,398</u>	<u>1,080,711</u>	<u>83,687</u>
UNALLOCATED BENEFITS					
Social security contributions	250,000	(10,606)	239,394	237,808	1,586
PERS contributions - regular	220,000	(128)	219,872	219,075	797
Unemployment compensation	50,000	128	50,128	50,128	-
Workmen's compensation	125,000	6,241	131,241	131,241	-
Health benefits	3,205,000	25,230	3,230,230	3,229,825	405
Tuition reimbursement	15,000	-	15,000	13,884	1,116
Other employee benefits	37,000	(25,044)	11,956	11,955	1
Unused vacation benefits	10,000	(10,000)	-	-	-
Unused sick pay retirement	21,000	(11,500)	9,500	4,500	5,000
TOTAL UNALLOCATED BENEFITS	<u>3,933,000</u>	<u>(25,679)</u>	<u>3,907,321</u>	<u>3,898,416</u>	<u>8,905</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	952,250	(952,250)
TPAF post retirement medical contributions (on-behalf - non-budgeted)	-	-	-	793,440	(793,440)
TPAF long term disability insurance contributions (on-behalf-non-budgeted)	-	-	-	2,971	(2,971)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	682,962	(682,962)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,431,623</u>	<u>(2,431,623)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,933,000</u>	<u>(25,679)</u>	<u>3,907,321</u>	<u>6,330,039</u>	<u>(2,422,718)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>14,211,723</u>	<u>200,506</u>	<u>14,412,229</u>	<u>16,229,143</u>	<u>(1,816,914)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>23,116,032</u>	<u>69,216</u>	<u>23,185,248</u>	<u>24,877,899</u>	<u>(1,692,651)</u>
CAPITAL OUTLAY					
Facilities acquisition and construction services:					
SDA assessment	30,709	-	30,709	30,709	-
Undistributed expenditures- admin info tech.	70,000	-	70,000	14,945	55,055
Undistributed expenditures- custodial services	28,000	-	28,000	27,716	284
Undistributed expenditures- preschool	10,000	-	10,000	9,688	312
Undistributed expenditures- grades 1-5	20,000	(10,000)	10,000	-	10,000
Undistributed expenditures- grades 9-12	10,000	13,443	23,443	13,443	10,000
Undistributed expenditures- School-sponsored and other instructional program	5,000	-	5,000	-	5,000
Total facilities acquisition and construction services	<u>173,709</u>	<u>3,443</u>	<u>177,152</u>	<u>96,501</u>	<u>80,651</u>
TOTAL CAPITAL OUTLAY	<u>173,709</u>	<u>3,443</u>	<u>177,152</u>	<u>96,501</u>	<u>80,651</u>

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
Transfer of funds to Charter Schools	148,000	20,421	168,421	167,882	539
TOTAL EXPENDITURES	<u>23,437,741</u>	<u>93,080</u>	<u>23,530,821</u>	<u>25,142,282</u>	<u>(1,611,461)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (916,215)</u>	<u>\$ (93,080)</u>	<u>\$ (1,009,295)</u>	<u>\$ (257,332)</u>	<u>\$ 751,963</u>
Other financing sources:					
Operating transfer out:					
Transfer to food service fund	-	-	-	-	-
Transfer to extended care	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources Over (under) expenditures and other financing sources (uses)	(916,215)	(93,080)	(1,009,295)	(257,332)	751,963
Fund balance, July 1				1,922,192	
Fund balance, June 30	<u>\$ (916,215)</u>	<u>\$ (93,080)</u>	<u>\$ (1,009,295)</u>	<u>\$ 1,664,860</u>	<u>\$ 751,963</u>
Recapitulation fund balance:					
Restricted fund balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 468,679	
Assigned Fund Balance - designated for subsequent year's expenditures				54,454	
Reserve for excess surplus				327,583	
Committed fund balance:					
Year end encumbrances				359,931	
Unassigned fund balance				<u>454,213</u>	
				1,664,860	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(208,486)	
Fund balance per governmental funds (GAAP)				<u>\$ 1,456,374</u>	

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
State sources	\$ 637,682	\$ -	\$ 637,682	\$ 605,993	\$ (31,689)
Federal sources	836,442	-	836,442	790,321	(46,121)
TOTAL REVENUES	<u>1,474,124</u>	<u>-</u>	<u>1,474,124</u>	<u>1,396,314</u>	<u>(77,810)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	689,916	(16,197)	673,719	673,719	-
Other salaries for instruction	108,725	-	108,725	104,435	4,290
Purchased professional and technical services	58,845	-	58,845	58,845	-
Tuition	260,321	-	260,321	260,321	-
General supplies	39,189	20,105	59,294	58,994	300
Other purchased services	-	-	-	-	-
Other objects	-	-	-	-	-
Total instruction	<u>1,156,996</u>	<u>3,908</u>	<u>1,160,904</u>	<u>1,156,314</u>	<u>4,590</u>
Support services:					
Salaries of supervisor of instruction	-	-	-	-	-
Salaries of program directors	39,760	-	39,760	30,000	9,760
Salaries of other professional staff	-	-	-	-	-
Salaries of secretaries & clerical assistants	13,797	-	13,797	13,797	-
Personal services - salaries	-	-	-	-	-
Other salaries	25,000	-	25,000	10,033	14,967
Personal services - employee benefits	214,690	6,819	221,509	175,388	46,121
Plant operations and maintenance	5,881	-	5,881	5,881	-
Purchased professional - technical services	-	-	-	-	-
Purchased professional - educational services	11,000	(10,727)	273	273	-
Rentals	7,000	-	7,000	4,628	2,372
Purchased property services	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	<u>317,128</u>	<u>(3,908)</u>	<u>313,220</u>	<u>240,000</u>	<u>73,220</u>
Facilities acquisition and const. serv.:					
Construction services	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,474,124</u>	<u>-</u>	<u>1,474,124</u>	<u>1,396,314</u>	<u>77,810</u>
Total outflows	<u>1,474,124</u>	<u>-</u>	<u>1,474,124</u>	<u>1,396,314</u>	<u>77,810</u>
Excess (deficiency) of revenues over (under) Expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 24,884,950	[C-2] \$ 1,396,314
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(14,561)
Prior year encumbrances expended		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(208,486)	(55,618)
State aid payment recognized for GAAP Statement in the current year, previously recognized for budgetary purposes.	180,141	56,159
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 24,856,605</u>	[B-2] <u>\$ 1,382,294</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 25,142,282	[C-2] \$ 1,396,314
Difference - budget to GAAP:		
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(14,561)
Prior year encumbrances expended		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 25,142,282</u>	[B-2] <u>\$ 1,381,753</u>

Required Supplementary Information

Part III

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit C-4

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teachers' Pension and Annuity Fund (TPAF)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **										
District's proportionate share of the net pension liability (asset) associated with the District	\$ 70,461,723	\$ 56,552,535	\$ 48,308,189	\$ 46,867,404						
Total	<u>70,461,723</u>	<u>56,552,535</u>	<u>48,308,189</u>	<u>46,867,404</u>						
District's covered employee payroll	9,048,395	8,913,297	10,988,621	8,818,184						
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%						

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

Public Employees' Retirement System (PERS)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.02455%	0.02620%	0.02543%	0.02243%						
District's proportionate share of the net pension liability (asset)	\$ 7,270,949	\$ 5,892,087	\$ 4,761,481	\$ 4,287,568						
District's covered employee payroll	1,727,822	1,657,489	1,774,778	1,658,529						
District's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	421%	355%	268%	259%						
Plan fiduciary net position as a percentage of the total pension liability (Local)	40.14%	47.93%	52.08%	48.72%						

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

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit C-5

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution**	N/A	N/A	N/A	N/A	N/A					
Contributions in relation to the contractually required contributions**	N/A	N/A	N/A	N/A	N/A					
Contributions deficiency (excess)	N/A	N/A	N/A	N/A	N/A					
District's covered employee payroll	\$ 9,048,395	\$ 8,913,297	\$ 10,988,621	\$ 8,818,184						
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A					

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

Public Employees' Retirement System (PERS)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution**	\$ 218,097	\$ 225,660	\$ 169,035	\$ 173,660						
Contributions in relation to the contractually required contributions**	(218,097)	(225,660)	(169,035)	(173,660)						
Contributions deficiency (excess)										
District's covered employee payroll	1,727,822	1,657,489	1,774,778	1,658,529						
Contributions as a percentage of covered-employee payroll	12.62%	13.61%	9.52%	10.47%						

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedules
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit C-6

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

ABBOTT SCHEDULES

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

SPECIAL REVENUE FUND

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

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit E-1

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	Total Brought Forward (Ex. E-1a)	Title I 2016-2017	I.D.E.A. Part B Basic 2016-2017	I.D.E.A. Part B Flow Through 2016-2017	Totals 2017
REVENUES					
State sources	\$ 605,993				\$ 605,993
Federal sources	90,669	369,486	319,845	10,321	790,321
TOTAL REVENUES	696,662	369,486	319,845	10,321	1,396,314
EXPENDITURES:					
Instruction:					
Salaries of teachers	384,639	289,080			673,719
Other salaries for instruction	104,435				104,435
Personal services - salaries	-				-
Purchased professional and technical services	-		58,845		58,845
Tuition	-		250,000	10,321	260,321
General supplies	47,994		11,000		58,994
Other purchased services	-				-
Other objects	-				-
Total instruction	<u>537,068</u>	<u>289,080</u>	<u>319,845</u>	<u>10,321</u>	<u>1,156,314</u>
Support services:					
Salaries of supervisors of instruction	-				-
Salaries of program directors	30,000				30,000
Salaries of other professional staff	-				-
Salaries of sec. and clerical assist.	13,797				13,797
Personal services - salaries	-				-
Other salaries	10,033				10,033
Personal services - employee benefits	95,255	80,133			175,388
Plant operations and maintenance	5,881				5,881
Purchased professional - technical services	-				-
Purchased professional - educational services	-	273			273
Rentals	4,628				4,628
Purchased property services	-				-
Supplies & materials	-				-
Total support services	<u>159,594</u>	<u>80,406</u>	<u>-</u>	<u>-</u>	<u>240,000</u>
Facilities acquisition and const. serv.:					
Equipment	-				-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools					
TOTAL EXPENDITURES	<u>696,662</u>	<u>369,486</u>	<u>319,845</u>	<u>10,321</u>	<u>1,396,314</u>
Other financing sources (uses)					
Transfer in from general fund	-				-
Total outflows	<u>696,662</u>	<u>369,486</u>	<u>319,845</u>	<u>10,321</u>	<u>1,396,314</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit E-1a

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	<u>Title II, Part A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Preschool Program Aid</u>	<u>Sub-totals 2017</u>
REVENUES					
State sources	\$ -	\$ -	\$ -	\$ 600,112	\$ 605,993
Federal sources	61,243	22,502	6,924	-	90,669
TOTAL REVENUES	61,243	22,502	6,924	600,112	696,662
EXPENDITURES					
Instruction:					
Salaries of teachers	56,891	2,748		325,000	384,639
Other salaries for instruction				104,435	104,435
Personal services - salaries					-
Purchased professional and technical services					-
Tuition					-
General supplies		19,544	6,924	21,526	47,994
Other purchased services					-
Other objects					-
Total instruction	<u>56,891</u>	<u>22,292</u>	<u>6,924</u>	<u>450,961</u>	<u>537,068</u>
Support services:					
Salaries of supervisors of instruction					-
Salaries of program directors				30,000	30,000
Salaries of other professional staff					-
Salaries of sec. and clerical assist.				13,797	13,797
Personal services - salaries					-
Other salaries				10,033	10,033
Personal services - employee benefits	4,352	210		90,693	95,255
Plant operations and maintenance					5,881
Purchased professional - technical services					-
Purchased professional - educational services					-
Rentals				4,628	4,628
Purchased property services					-
Supplies & materials					-
Total support services	<u>4,352</u>	<u>210</u>	<u>-</u>	<u>149,151</u>	<u>159,594</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools					
	-	-	-	-	-
TOTAL EXPENDITURES	61,243	22,502	6,924	600,112	696,662
Other financing sources:					
Transfer in from general fund					-
Contribution to Whole School Reform					-
	-	-	-	-	-
Total outflows	61,243	22,502	6,924	600,112	696,662
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit E-1b

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	NJ EIF Safety Grant Program	Total Carried Forward
REVENUES		
State Sources	\$ 5,881	\$ 5,881
Federal Sources	-	-
TOTAL REVENUES	5,881	5,881
EXPENDITURES		
Instruction:		
Salaries of Teachers	-	-
Other Salaries For Instruction	-	-
Personal Services - Salaries	-	-
Purchased Professional and Technical Services	-	-
Tuition	-	-
General Supplies	-	-
Other Purchased Services	-	-
Other Objects	-	-
Total Instruction	-	-
Support Services:		
Salaries of Supervisors of Instruction	-	-
Salaries of Program Directors	-	-
Salaries of Other Professional Staff	-	-
Salaries of Administrative and Clerical Assistants	-	-
Personal Services - Salaries	-	-
Other Salaries	-	-
Personal Services - Employee Benefits	-	-
Plant Operations and Maintenance	5,881	5,881
Purchased Professional - Technical Services	-	-
Purchased Professional - Educational Services	-	-
Rentals	-	-
Purchased Property Services	-	-
Supplies & Materials	-	-
Total Support Services	5,881	5,881
Facilities Acquisition and Const. Serv.:		
Construction Services	-	-
Total Facilities Acquisition and Const. Serv.	-	-
Transfer to Charter Schools		
	-	-
TOTAL EXPENDITURES	5,881	5,881
Other Financing Sources (Uses)		
Transfer in from General Fund	-	-
Contribution to Whole School Reform	-	-
Total Outflows	5,881	5,881
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit E-2

SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES - BUDGETARY BASIS

EXPENDITURES	Budgeted	Actual	Variance
Instruction:			
Salaries of teachers	\$ 325,000	\$ 325,000	\$ -
Other salaries for instruction	108,725	104,435	4,290
Other purchased services (400-500 series)			-
Tuition to other LEAs within State			-
General supplies	21,826	21,526	300
Textbooks			-
Other objects			-
Total instruction	<u>455,551</u>	<u>450,961</u>	<u>4,590</u>
Support services:			
Salaries of supervisors of instruction			-
Salaries of program directors	39,760	30,000	9,760
Salaries of other professional staff			-
Salaries of secr. and clerical assistants	13,797	13,797	-
Other salaries	25,000	10,033	14,967
Salaries of community parent involvement specialists			-
Salaries of master teachers			-
Personal services - employee benefits	90,693	90,693	-
Purchased professional - educational services			-
Other purchased professional education - services			-
Rentals	7,000	4,628	2,372
Contr. transportation service (betw. home & sch.)			-
Contr. transportation service (field trips)			-
Travel			-
Supplies & materials			-
Total support services	<u>176,250</u>	<u>149,151</u>	<u>27,099</u>
TOTAL EXPENDITURES	<u>\$ 631,801</u>	<u>\$ 600,112</u>	<u>\$ 31,689</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2016-17 Preschool Education Aid Allocation	\$ 556,126
Add: Actual ECPA Carryover (June 30, 2016)	80,034
Add: Budgeted Transfer from the General Fund 2016-17	<u>636,160</u>
Total Preschool Education Aid Funds Available for 2015-16 Budget	636,160
Less: 2016-17 Budgeted Preschool Education Aid (Including prior year budget carryover)	(631,801)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	4,359
Add: Prior Year Unexpended Encumbrance	-
Add: June 30, 2017 Unexpended Preschool Education Aid	31,689
2016-17 Actual Carryover - Preschool Education Aid/ Preschool	<u>\$ 36,048</u>
2016-17 Preschool Education Aid Carryover Budgeted in 2017-18	<u>\$ 4,359</u>

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

CAPITAL PROJECTS FUND

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

WEEHAWKEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit F-1

SUMMARY STATEMENT OF PROJECT EXPENDITURES

Project Title/Issue	Approval Date	Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations At June 30, 2017
			Prior Years	Current Year	
Various School Improvements	12/17/2002	\$ 9,407,200	\$ 9,317,020	\$ 82,050	\$ 8,130
Various School Improvements	3/19/2008	7,500,000	7,500,000	-	-
Totals		\$ 16,907,200	\$ 16,817,020	\$ 82,050	\$ 8,130

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

**WEEHAWKEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit F-2

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

REVENUES AND OTHER FINANCING SOURCES

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

EXPENDITURES AND OTHER FINANCING USES

Other purchased professional and technical services	54,340
Construction services	28,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	82,340
Excess (deficiency) of revenues over (under) expenditures	(82,340)
Fund balance - beginning	90,180
Fund balance - ending	\$ 7,840

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

WEEHAWKEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 VARIOUS SCHOOL IMPROVEMENTS - 12/17/2002
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit F-2a

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

REVENUES AND OTHER FINANCING SOURCES	Prior Periods	Current Year	Totals	Revised Authorized Cost
State sources - SCC Grant	\$ 3,548,899	\$ -	\$ 3,548,899	\$ 3,548,899
Bond proceeds and transfers	5,858,000		5,858,000	5,858,000
Other sources	301		301	301
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>9,407,200</u>	<u>-</u>	<u>9,407,200</u>	<u>9,407,200</u>
EXPENDITURES AND OTHER FINANCING USES				
Other professional and technical services	933,305	54,340	987,645	995,363
Construction services	8,382,175	28,000	8,410,175	8,285,837
Legal services	1,540		1,540	126,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>9,317,020</u>	<u>82,340</u>	<u>9,399,360</u>	<u>9,407,200</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 90,180</u>	<u>\$ (82,340)</u>	<u>\$ 7,840</u>	<u>\$ -</u>

Additional project information:

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

PROPRIETARY FUNDS

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

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

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

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

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

Internal Service Fund - NON APPLICABLE

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
AT JUNE 30, 2017**

Exhibit G-1

COMBINING STATEMENT OF NET POSITION

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 116,570	\$ 472,332	\$ 588,902
Accounts receivable:			
Customer	3,576		3,576
Federal	16,244		16,244
State	358		358
Inventories	4,825		4,825
Total current assets	<u>141,573</u>	<u>472,332</u>	<u>613,905</u>
Noncurrent assets:			
Furniture, machinery & equipment	91,524		91,524
Less accumulated depreciation	<u>(63,168)</u>		<u>(63,168)</u>
Total noncurrent assets	<u>28,356</u>	<u>-</u>	<u>28,356</u>
 TOTAL ASSETS	 <u>\$ 169,929</u>	 <u>\$ 472,332</u>	 <u>\$ 642,261</u>
 LIABILITIES AND NET POSITION			
Liabilities			
Current liabilities:			
Due to payroll account	\$ 3,958		\$ 3,958
Due to general fund			-
Accounts payable	23,974	\$ 643	24,617
Total current liabilities	<u>27,932</u>	<u>643</u>	<u>28,575</u>
Total liabilities	<u>27,932</u>	<u>643</u>	<u>28,575</u>
Net position			
Invested in capital assets net of related debt	28,356		28,356
Unrestricted	113,641	471,689	585,330
Total net position	<u>141,997</u>	<u>471,689</u>	<u>613,686</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 169,929</u>	 <u>\$ 472,332</u>	 <u>\$ 642,261</u>

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

WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Food Service	Latchkey Program	Total Enterprise
Operating revenues			
Charges for services:			
Daily sales- reimbursable programs	\$ 86,913		86,913
Daily sales - non-reimbursable programs	31,096	-	31,096
Miscellaneous	954		954
Community service activities		208,168	208,168
Total operating revenues	118,963	208,168	327,131
Operating expenses			
Cost of sales- reimbursable programs	129,403		129,403
Cost of sales- non-reimbursable programs	12,649		12,649
Cost of sales- food distribution program	37,091		37,091
Salaries	99,387	174,310	273,697
Payroll taxes/ employee benefits	29,204		29,204
Repairs and maintenance	8,789		8,789
Facility fees	-	125,000	125,000
Outside services	5,788		5,788
Liability insurance	1,363		1,363
Uniforms	493		493
Administration Fees	36,635		36,635
General supplies	22,394	16,823	39,217
Depreciation	6,497		6,497
Total operating expenses	389,693	316,133	705,826
Operating (loss)	(270,730)	(107,965)	(378,695)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,085		5,085
Federal sources:			
National school lunch program	228,947		228,947
Food distribution program	37,914		37,914
Gain on retirement of equipment/adjustment	858		858
Total nonoperating revenues (expenses)	272,804	-	272,804
Change in net position	2,074	(107,965)	(105,891)
Net position—beginning	139,623	579,654	719,277
Net position—ending	\$ 141,697	\$ 471,689	\$ 613,386

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

WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWS

	Food Service	Latchkey Program	Total Enterprise
Cash flows from operating activities			
Receipts from customers	\$ 117,485	\$ 208,169	\$ 325,654
Payments to employees	(99,387)	(174,310)	(273,697)
Payments for payroll taxes/ employee benefits	(29,204)		(29,204)
Payments for use of facilities		(125,000)	(125,000)
Payments to suppliers	(229,567)	(16,944)	(246,511)
Net cash provided by (used for) operating activities	(240,673)	(108,085)	(348,758)
Cash flows from investing activities			
Purchases of equipment			-
Net cash provided by (used for) investing activities	-	-	-
Cash flows from noncapital financing activities			
State Sources	5,769		5,769
Federal Sources	260,863		260,863
Transfers to other funds		(100,000)	(100,000)
Net cash provided by (used for) non-capital financing activities	266,632	(100,000)	166,632
Net increase (decrease) in cash and cash equivalents	25,959	(208,085)	(182,126)
Balances—beginning of year	90,611	680,417	771,028
Balances—end of year	\$ 116,570	\$ 472,332	\$ 588,902
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (270,730)	\$ (107,965)	\$ (378,695)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	6,497		6,497
Food Distribution Program	37,914		37,914
(Increase) decrease in accounts receivable, net	(1,478)		(1,478)
(Increase) decrease in inventories	266		266
Increase (decrease) in current liabilities	(13,142)	(120)	(13,262)
Total adjustments	30,057	(120)	29,937
Net cash provided by (used for) operating activities	\$ (240,673)	\$ (108,085)	\$ (348,758)

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

FIDUCIARY FUNDS

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

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

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

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

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

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

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

Student Activity Fund -

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

Payroll Fund -

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

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
AT JUNE 30, 2017**

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>	<u>Agency</u>		<u>Total</u>
	<u>Louis Ferullo Scholarship Fund</u>	<u>McGowan Award Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2017</u>
ASSETS					
Cash and cash equivalents	\$ 6,151	\$ 1,000	\$ 79,206	\$ 97,246	\$ 183,603
Due from food service fund			-	3,958	3,958
TOTAL ASSETS	<u>6,151</u>	<u>1,000</u>	<u>79,206</u>	<u>101,204</u>	<u>187,561</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Payroll deductions and withholdings	-	-	-	77,460	77,460
Due to general fund				23,744	23,744
Due to student groups	-	-	79,206		79,206
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>79,206</u>	<u>101,204</u>	<u>180,410</u>
Net position:					
Reserved - principal portion					
Nonexpendable trust		1,000	-	-	1,000
Unreserved	6,151		-	-	6,151
TOTAL NET POSITION	<u>6,151</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>7,151</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,151</u>	<u>\$ 1,000</u>	<u>\$ 79,206</u>	<u>\$ 101,204</u>	<u>\$ 187,561</u>

**WEEHAWKEN BOARD OF EDUCATION
NONEXPENDABLE TRUST FUND - SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit H-2(A)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

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

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

**WEEHAWKEN BOARD OF EDUCATION
EXPENDABLE TRUST FUNDS - SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit H-2 (B)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Louis Ferullo Scholarship Fund
Additions	
Investment earnings:	
Interest on investments	\$ 39
Total additions	39
Deductions	
Transfer to HS activities fund	1,000
Expenditures	
Total deductions	1,000
Change in net position	(961)
Net position - beginning of the year	7,112
Net position - end of the year	\$ 6,151

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

**WEEHAWKEN BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance At June 30, 2016	Cash Receipts	Cash Disbursements	Balance At June 30, 2017
Elementary school:				
Roosevelt	\$ 2,893	\$ 21,895	\$ 19,750	\$ 5,038
Webster	9,868	6,612	8,861	7,619
Total elementary school	12,761	28,507	28,611	12,657
High school:				
Weehawken high school				
General activity fund	30,106	143,872	107,429	66,549
Total high school	30,106	143,872	107,429	66,549
Total cash and cash equivalents	\$ 42,867	\$ 172,379	\$ 136,040	\$ 79,206

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

**WEEHAWKEN BOARD OF EDUCATION
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit H-4

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

	<u>Balance, At June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, At June 30, 2017</u>
ASSETS				
Cash and cash equivalents	\$ 26,429	\$ 13,940,684	\$ 13,869,867	\$ 97,246
Due from food service fund	3,958			3,958
TOTAL ASSETS	<u>\$ 30,387</u>	<u>\$ 13,940,684</u>	<u>\$ 13,869,867</u>	<u>\$ 101,204</u>
LIABILITIES				
Net payroll	\$ -	\$ 7,434,905	\$ 7,434,905	\$ -
Payroll deductions and withholdings	7,410	5,837,452	5,767,402	77,460
Interfund payable - general fund	22,977	668,327	667,560	23,744
TOTAL LIABILITIES	<u>\$ 30,387</u>	<u>\$ 13,940,684</u>	<u>\$ 13,869,867</u>	<u>\$ 101,204</u>

LONG-TERM DEBT

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

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

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit I-1a

SCHEDULE OF SERIAL BONDS

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturates</u>		<u>Interest Rate (%)</u>	<u>Balance At June 30, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance At June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Pension Bonds Series 2003	07/15/03	2,060,000	04/15/18	130,000	5.850%	\$ 900,000	\$ -	\$ 125,000	\$ 775,000
			04/15/19	140,000	5.850%				
			04/15/20	150,000	5.850%				
			04/15/21	160,000	5.850%				
			04/15/22	60,000	5.850%				
			04/15/23	65,000	5.850%				
			04/15/24	70,000	5.850%				
General Improvements	09/01/08	7,500,000	09/1/2017-19	300,000	4.000%	5,950,000		300,000	5,650,000
			09/01/20-21	450,000	4.000%				
			09/01/22	450,000	4.050%				
			09/01/23	450,000	4.150%				
			09/01/24	450,000	4.200%				
			09/01/25-26	500,000	4.250%				
			09/01/27	500,000	4.300%				
			09/01/28-29	500,000	4.350%				
2013 Refunding G.O. Bonds 2003	10/30/13	3,500,000	07/15/17	325,000	4.000%	2,915,000		320,000	2,595,000
			07/15/18	345,000	4.000%				
			07/15/19	360,000	4.000%				
			07/15/20	370,000	3.000%				
			07/15/21	385,000	4.000%				
			07/15/22	400,000	3.000%				
			07/15/23	410,000	3.000%				
						<u>\$ 9,765,000</u>	<u>\$ -</u>	<u>\$ 745,000</u>	<u>\$ 9,020,000</u>

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

WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

Purpose	Date of Lease	Term of Lease	Amount of Original Lease Principal	Interest Rate	Balance		Retired	Balance At June 30, 2017
					At June 30, 2016	Issued		
2013 School Bus	06/30/12	5 Years	88,202	2.62%	\$ 18,493	-	\$ 18,493	\$ -
2014 School Bus	09/27/13	5 Years	90,223	2.51%	36,523	-	18,034	18,489
2015 School Bus	09/18/14	5 Years	79,363	2.38%	47,600	-	15,495	32,105
					<u>\$ 102,616</u>	<u>\$ -</u>	<u>\$ 52,022</u>	<u>\$ 50,594</u>

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

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit I-3

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES					
Local sources:					
Local tax levy	\$ 972,199		\$ 972,199	\$ 972,199	\$ -
Debt service aid type II	162,939		162,939	162,939	-
Capital reserve			-		-
TOTAL REVENUES	<u>1,135,138</u>	<u>-</u>	<u>1,135,138</u>	<u>1,135,138</u>	<u>-</u>
EXPENDITURES					
Regular debt service:					
Interest	337,500		337,500	337,500	-
Redemption of interest - early retirement bonds	52,650		52,650	52,650	-
Redemption of principal	745,000		745,000	745,000	-
Total regular debt service	<u>1,135,150</u>	<u>-</u>	<u>1,135,150</u>	<u>1,135,150</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,135,150</u>	<u>-</u>	<u>1,135,150</u>	<u>1,135,150</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(12)		(12)	(12)	-
Other financing sources:					
Operating transfers in:					
Interest earned in capital projects fund				276	276
Premium on refinance					-
				<u>276</u>	<u>276</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(12)	-	(12)	264	276
Fund balance, July 1	(19)	-	(19)	142	161
Fund balance, June 30	<u>\$ (31)</u>	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ 406</u>	<u>\$ 437</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Budgeted fund balance		<u>\$ -</u>		<u>\$ 12</u>	<u>\$ (12)</u>

STATISTICAL SECTION
(unaudited)

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

Exhibit J-1

NET POSITION BY COMPONENT

	Fiscal Year Ending June 30,				
	2017	2016	2015	2014	2013
Governmental activities:					
Invested in capital assets, net of related debt	\$ 601,525	\$ 833,757	\$ 876,701	\$ 1,110,407	\$ 1,248,632
Restricted	1,218,893	1,569,634	1,992,899	2,163,747	2,416,800
Unrestricted	<u>(5,836,375)</u>	<u>(5,407,194)</u>	<u>(5,210,050)</u>	<u>(1,236,479)</u>	<u>(1,368,190)</u>
Total governmental activities net position	<u>\$ (4,015,957)</u>	<u>\$ (3,003,803)</u>	<u>\$ (2,340,450)</u>	<u>\$ 2,037,675</u>	<u>\$ 2,297,242</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 28,356	\$ 33,995	\$ 35,238	\$ 35,181	\$ 40,514
Restricted				-	-
Unrestricted	<u>585,330</u>	<u>685,582</u>	<u>717,027</u>	<u>630,635</u>	<u>508,451</u>
Total business-type activities net position	<u>\$ 613,686</u>	<u>\$ 719,577</u>	<u>\$ 752,265</u>	<u>\$ 665,816</u>	<u>\$ 548,965</u>
District-wide:					
Invested in capital assets, net of related debt	\$ 629,881	\$ 867,752	\$ 911,939	\$ 1,145,588	\$ 1,289,146
Restricted	1,218,893	1,569,634	1,992,899	2,163,747	2,416,800
Unrestricted	<u>(5,251,045)</u>	<u>(4,721,612)</u>	<u>(4,493,023)</u>	<u>(605,844)</u>	<u>(859,739)</u>
Total district net position	<u>\$ (3,402,271)</u>	<u>\$ (2,284,226)</u>	<u>\$ (1,588,185)</u>	<u>\$ 2,703,491</u>	<u>\$ 2,846,207</u>

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

Exhibit J-2

CHANGES IN NET POSITION

	Fiscal Year Ending June 30,				
	2017	2016	2015	2014	2013
DISTRICT EXPENSES					
Governmental activities:					
Instruction:					
Regular	\$ 14,555,101	\$ 13,237,979	\$ 12,317,434	\$ 10,602,822	\$ 10,437,006
Special education	1,904,892	1,843,550	1,645,319	1,440,259	1,416,314
Other special education	377,005	324,128	258,456	269,678	265,087
Other instruction	903,399	816,864	714,741	640,955	731,991
Support Services:					
Tuition	3,003,394	3,121,199	2,985,446	2,766,054	2,683,755
Student & instruction related services	3,522,249	3,094,919	3,107,519	2,806,067	2,717,492
School administrative services	1,635,589	1,335,029	1,128,748	905,185	1,009,070
General and business administrative services	1,562,782	1,218,791	1,199,791	1,215,267	1,356,344
Central services	603,711	605,227	500,856	504,428	504,209
Plant operations and maintenance	2,541,032	2,289,711	2,253,858	2,264,706	2,227,973
Pupil transportation	1,464,490	1,473,970	1,362,554	1,331,296	1,280,624
Charter schools	167,882	141,643	118,305	101,212	132,360
Interest on long-term debt	390,150	415,378	459,744	417,270	515,755
Capital reserve transfer to debt service					
Capital outlay - not capitalized	40,397	30,709	30,709	36,309	30,708
Unallocated depreciation	64,330	77,949	89,734	99,982	96,733
Total governmental activities expenses	<u>32,736,403</u>	<u>30,027,046</u>	<u>28,173,214</u>	<u>25,401,490</u>	<u>25,405,421</u>
Business-type activities:					
Food service	389,693	446,942	417,006	405,194	388,929
Latchkey program	316,133	254,034	117,107	94,263	81,268
Total business-type activities expense	<u>705,826</u>	<u>700,976</u>	<u>534,113</u>	<u>499,457</u>	<u>470,197</u>
TOTAL DISTRICT EXPENSES	<u>\$ 33,442,229</u>	<u>\$ 30,728,022</u>	<u>\$ 28,707,327</u>	<u>\$ 25,900,947</u>	<u>\$ 25,875,618</u>
DISTRICT PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
Instruction (tuition)	\$ 104,791	\$ 77,036	\$ 113,038	\$ 138,138	\$ 99,343
Pupil transportation					
Central and other support services					
Operating grants and contributions	11,229,123	9,529,102	8,647,033	5,893,223	6,410,997
Capital grants and contributions					
Total governmental activities program revenues	<u>11,333,914</u>	<u>9,606,138</u>	<u>8,760,071</u>	<u>6,031,361</u>	<u>6,510,340</u>
Business-type activities:					
Charges for services:					
Food service	118,963	120,635	114,361	112,312	109,411
Child care	208,168	253,451	204,503	192,074	181,881
Operating grants and contributions	271,946	294,202	295,768	311,922	287,179
Capital grants and contributions					
Total business type activities program revenues	<u>599,077</u>	<u>668,288</u>	<u>614,632</u>	<u>616,308</u>	<u>578,471</u>
TOTAL DISTRICT PROGRAM REVENUES	<u>\$ 11,932,991</u>	<u>\$ 10,274,426</u>	<u>\$ 9,374,703</u>	<u>\$ 6,647,669</u>	<u>\$ 7,088,811</u>
DISTRICT NET (EXPENSES) / REVENUES					
Governmental activities	\$ (21,402,489)	\$ (20,420,908)	\$ (19,413,143)	\$ (19,370,129)	\$ (18,895,081)
Business-type activities	<u>(106,749)</u>	<u>(32,688)</u>	<u>80,519</u>	<u>116,851</u>	<u>108,274</u>
TOTAL DISTRICT NET (EXPENSES) / REVENUES	<u>\$ (21,509,238)</u>	<u>\$ (20,453,596)</u>	<u>\$ (19,332,624)</u>	<u>\$ (19,253,278)</u>	<u>\$ (18,786,807)</u>

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

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

Exhibit J-2

CHANGES IN NET POSITION

	<u>Fiscal Year Ending June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
DISTRICT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 19,127,272	\$ 18,422,272	\$ 17,904,821	\$ 17,475,315	\$ 17,045,145
Revenue from local gov't allocated to capital reserve					
Taxes levied for debt service	972,199	893,223	945,790	1,158,420	1,169,078
Tuition charges					
Federal and state aid budget vs. GAAP	(27,804)	(10,091)	(2,429)	25,566	13,363
Miscellaneous income	310,424	372,063	132,774	271,414	718,533
Capital grant - capital project					
Special item - adjustments	7,968	79,958	131,964	171,475	77,456
Transfers	276	130	12	8,372	19
Total governmental activities	<u>20,390,335</u>	<u>19,757,555</u>	<u>19,112,932</u>	<u>19,110,562</u>	<u>19,023,594</u>
Business-type activities:					
Special item -adjustments fixed assets	858		5,930		
Investment earnings					
Transfers	-	-	-	-	-
Total business-type activities	<u>858</u>	<u>-</u>	<u>5,930</u>	<u>-</u>	<u>-</u>
TOTAL DISTRICT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>\$ 20,391,193</u>	<u>\$ 19,757,555</u>	<u>\$ 19,118,862</u>	<u>\$ 19,110,562</u>	<u>\$ 19,023,594</u>
DISTRICT CHANGES IN NET POSITION					
Governmental activities	\$ (1,012,154)	\$ (663,353)	\$ (300,211)	\$ (259,567)	\$ 128,513
Business-type activities	(105,891)	(32,688)	86,449	116,851	108,274
TOTAL DISTRICT CHANGES IN NET POSITION	<u>\$ (1,118,045)</u>	<u>\$ (696,041)</u>	<u>\$ (213,762)</u>	<u>\$ (142,716)</u>	<u>\$ 236,787</u>

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

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

Exhibit J-3

FUND BALANCES - GOVERNMENTAL FUNDS

	Fiscal Year Ending June 30,				
	2017	2016	2015	2014	2013
GENERAL FUND					
Restricted, committed, & assigned	\$ 1,210,647	\$ 1,477,974	\$ 1,825,451	\$ 1,963,847	\$ 2,272,996
Unassigned	245,727	264,077	330,042	251,556	212,591
TOTAL GENERAL FUND	<u>\$ 1,456,374</u>	<u>\$ 1,742,051</u>	<u>\$ 2,155,493</u>	<u>\$ 2,215,403</u>	<u>\$ 2,485,587</u>
ALL OTHER GOVERNMENTAL FUNDS					
Restricted, committed, & assigned	\$ 130	\$ 12		\$ 19	\$ 7,873
Unassigned:					
Special revenue fund	(55,618)	(56,159)	(57,890)	(54,702)	(53,550)
Capital projects fund	7,840	90,180	91,430	123,875	135,912
Debt service fund	276	130	76,018	76,006	19
Permanent fund					
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ (47,372)</u>	<u>\$ 34,163</u>	<u>\$ 109,558</u>	<u>\$ 145,198</u>	<u>\$ 90,254</u>

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

Exhibit J-4

CHANGES IN FUND BALANCES - GOVERNMENTAL FUND

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Tax levy	\$ 20,099,471	\$ 19,315,495	\$ 18,850,611	\$ 18,633,735	\$ 18,214,223	\$ 17,813,768	\$ 17,141,458	\$ 16,208,139	\$ 15,903,067	\$ 15,180,906
Capital reserve transfer								285,000		
Tuition charges	104,791	77,036	113,038	138,138	99,343	148,151	65,523	46,970	26,118	26,550
Miscellaneous	310,424	372,063	132,774	271,414	718,533	474,658	453,718	402,025	720,094	434,616
State sources	6,038,095	5,884,797	5,531,743	5,225,174	5,527,081	4,880,792	4,332,989	4,909,913	4,782,183	5,727,499
Federal sources	821,256	898,308	989,658	695,185	895,709	978,685	1,341,799	1,100,734	923,596	891,262
TOTAL REVENUES	27,374,037	26,547,699	25,617,824	24,963,646	25,454,889	24,296,054	23,335,487	22,952,781	22,355,058	22,260,833
EXPENDITURES										
Instruction:										
Regular instruction	8,120,994	8,060,932	7,872,082	7,554,994	7,401,632	7,405,665	7,661,246	7,694,057	7,801,906	7,376,369
Special education instruction	970,485	1,035,115	970,406	978,165	956,327	828,175	862,797	932,074	936,020	770,224
Other special instruction	192,689	183,033	152,457	184,478	180,942	172,382	206,883	211,228	198,104	228,583
Other instruction	510,807	509,258	468,451	469,370	525,699	451,572	371,743	411,519	419,838	388,384
Community service programs								10,000	10,000	10,000
Support services:										
Tuition	3,003,394	3,121,199	2,985,446	2,766,054	2,683,755	2,384,574	2,119,925	1,859,272	1,871,420	1,551,405
Student & inst. related services	2,228,436	1,855,835	1,984,186	1,870,203	1,814,951	1,731,879	1,827,243	1,868,794	1,694,049	1,575,317
School administrative services	724,203	612,339	545,782	536,642	582,103	581,556	616,488	566,867	744,550	771,573
Other administrative services	983,192	955,285	853,722	788,932	876,556	805,718	793,223	809,147	770,796	797,441
Central services	312,790	341,651	299,248	344,419	342,887	338,311	322,767	350,199	99,750	87,468
Plant operations and maintenance	1,626,524	1,599,178	1,604,641	1,778,190	1,711,528	1,379,427	1,420,923	1,548,923	1,733,794	1,415,556
Pupil transportation	1,080,711	1,189,620	1,097,318	1,145,258	1,117,450	1,089,459	959,545	1,039,880	1,043,841	923,168
Employee benefits	6,505,427	5,995,108	5,523,069	5,343,299	5,400,321	4,833,617	4,499,454	4,219,049	3,876,341	4,717,015
Transfer to charter schools	167,882	141,643	118,305	101,212	132,360	157,107	159,959	168,248	196,972	163,356
Special education jobs fund						72,364	35,440			
Debt service:										
Principal	745,000	720,000	640,000	829,969	812,722	775,583	758,596	486,706	474,952	458,223
Interest and other charges	390,150	415,378	459,744	417,270	515,755	545,352	573,549	744,926	318,199	335,471
Capital outlay	178,841	301,092	138,529	78,803	77,983	128,205	553,382	1,951,050	4,650,114	908,486
TOTAL EXPENDITURES	27,741,525	27,036,666	25,713,386	25,187,258	25,132,971	23,680,946	23,743,163	24,871,939	26,840,646	22,478,039
Excess (deficiency) of revenues over (under) expenditures	(367,488)	(488,967)	(95,562)	(223,612)	321,918	615,108	(407,676)	(1,919,158)	(4,485,588)	(217,206)
Other financing sources (uses)										
Transfers in	276	130	12	57,083	19	23	565	7,887	66,346	7,503,070
Transfers out	(276)	(130)	(12)	(48,711)	(19)	(23)	(565)	(7,887)	(115,000)	(184,313)
Total other financing sources (uses)	\$ (367,212)	\$ (488,837)	\$ (95,550)	\$ (215,240)	\$ 321,937	\$ 615,131	\$ (407,111)	\$ (1,911,271)	\$ (4,534,242)	\$ 7,101,551
Net change in fund balances										
Debt service as a percentage of noncapital expenditures	4.12%	4.25%	4.30%	4.97%	5.30%	5.61%	5.74%	5.37%	3.57%	3.68%

Source: District records
Note: Noncapital expenditures are total expenditures less capital outlay.

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

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-5

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (NJ)

Description	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Funds										
Interest on investments	\$ 2,030	\$ 891	\$ 234	\$ 207	\$ 227	\$ 166	\$ 2,200	\$ 1,764	\$ 11,213	\$ 43,290
Use of facilities	125,000	100,000	1,500	510	445,264	300,000	300,000	300,000	600,000	300,000
High School gate fees/book fines/ activity account	4,245	1,074	4,758	6,755	6,883	4,611	4,773	4,960	6,208	
Lost Chrome Books/ ID Replacements	11,555									
Insurance refunds/ Worker's Comp	28,368	43,238	17,667	11,403	17,862	16,703	9,536			6,399
Refunds from vendors/educational institutions /e-rate HCS	105,954	120,143	101,577	105,953	114,072	93,441	100,206	88,864	97,279	73,628
Anti-bullying grant				811						
Special needs teacher reimbursement				83,977						
Cancel prior year accounts payable/py										
voided checks	30,298	94,798	1,107	5,742	24,568	23,725	33,317			
Other	2,974	11,919	5,931	5,014	5,721	36,012	3,686	6,437	5,394	11,299
Total miscellaneous	310,424	372,063	132,774	220,372	614,597	474,658	453,718	402,025	720,094	434,616
Revenue from local gov't allocated to capital reserve									285,000	
Capital reserve transfer to debt service								285,000		
Tuition	104,791	77,036	113,038	51,042	103,936	148,151	65,523	46,970	26,118	26,550
Total General Fund other than local revenue	\$ 415,215	\$ 449,099	\$ 245,812	\$ 271,414	\$ 718,533	\$ 622,809	\$ 519,241	\$ 733,995	\$ 1,031,212	\$ 461,166

Source: district records

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

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-6

ASSESSED VALUE & ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year Ended June 30,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Equalized Valuations
2017	\$ 1,249,269,560	\$ 2,890,489,495	43.22%
2016	1,194,462,742	2,690,837,445	44.39%
2015	1,179,925,232	2,615,082,518	45.12%
2014	1,181,084,193	2,639,452,108	44.75%
2013	1,170,850,850	2,525,748,607	46.36%
2012	1,204,038,935	2,323,054,090	51.83%
2011	1,183,868,735	2,284,138,019	51.83%
2010	1,167,334,040	2,241,424,808	52.08%
2009	1,145,241,240	2,321,591,810	49.33%
2008	1,090,888,140	2,232,224,555	48.87%
2007	1,037,375,723	2,123,159,482	48.86%

Source: Abstract of Ratables, Hudson County Board of Taxation

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-7

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

<u>Assessment Year</u>	<u>Weehawken School District</u>	<u>Weehawken Township</u>	<u>Hudson County</u>	<u>Open Space</u>	<u>Special Garbage District</u>	<u>Total</u>
2017	1.6350	2.3340	1.1210	0.0240	0.1840	\$ 5.2980
2016	1.5960	2.3700	1.0720	0.0220	0.1830	\$ 5.2430
2015	1.5960	2.2450	1.2130	0.0120	0.1850	5.2510
2014	1.5880	2.1170	1.1700	0.0120	0.1840	5.0710
2013	1.5730	1.9030	1.1650	0.0050	0.1820	4.8280
2012	1.5220	1.8290	0.9740	0.0200	0.1590	4.5040
2011	1.4510	1.7780	0.8930	0.0100	0.1700	4.3020
2010	1.4060	1.6740	0.7830	0.0030	0.1690	4.0350
2009	1.3620	1.6300	0.7800	0.0210	0.1340	3.9270
2008	1.3440	1.3740	0.7650	0.0210	0.1300	3.6340

Source: Weehawken Township Tax Collector

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

WEEHAWKEN BOARD OF EDUCATION
CURRENT YEAR AND NINE YEARS AGO

Exhibit J-8

PRINCIPAL PROPERTY TAXPAYERS

	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
HARTZ MOUNTAIN IND INC	\$ 215,220,700	1	17.42%	\$ 24,511,800	6	2.36%
ROSELAND PROPERTIES (MACK-CALJ)	78,690,000	2	6.37%			
GLOBAL WEEHAWKEN ACQUISITIONS GROUP, LLC	42,500,000	3	3.44%	47,500,000	4	4.57%
LENNAR CORP.	38,336,300	4	3.10%			
LS-NJ PORT IMPERIAL, LLC	12,200,000	5	0.99%			
TOWER PLAZA ASSOC.	8,000,000	6	0.65%			
SIMONE CONDOMINIUM	6,090,000	7	0.49%	10,053,000	10	0.97%
1500 HARBOR BLVD PARTNERS, LLC	5,833,000	8	0.47%			
HAMILTON HOUSE, LLC	4,000,000	9	0.32%			
FULTON HOUSE	3,520,000	10	0.28%			
HARTZ PW LP						
HARTZ PW TOWER BLP				80,439,900	1	7.74%
PORT IMPERIAL SOUTH 15 LLC				53,619,500	3	5.16%
RIVER PW HOTEL LIMITED PARTNERSHIP				61,756,100	2	5.95%
RIVER PW HOTEL LIMITED PARTNERSHIP				33,138,580	5	3.19%
HARTZ-PW LIMITED PARTNERSHIP				22,239,920	8	2.14%
HARTZ MOUNTAIN - PARSIPPANY				22,384,700	7	2.16%
TOTAL	\$ 414,390,000		33.55%	\$ 376,043,500	9	1.96%
						36.20%

Source: Municipal Tax Assessor

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

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

Exhibit J-9

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Tax Levy Collected
2017	\$ 64,299,005	\$ 64,264,303	99.95%
2016	64,133,073	63,739,500	99.39%
2015	62,017,579	61,811,306	99.67%
2014	61,352,024	60,635,460	98.83%
2013	57,612,041	57,323,487	99.50%
2012	52,119,924	51,873,546	99.53%
2011	52,127,848	51,698,409	99.18%
2010	46,342,407	45,759,779	98.74%
2009	44,520,498	44,017,578	98.87%
2008	42,156,679	41,597,687	98.67%

Source: Weehawken Township Tax Collector

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

Exhibit J-10

RATIOS OF OUTSTANDING DEBT BY TYPE

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Per Capita ^a		
2017	\$ 9,020,000	\$ -	\$ 50,594	\$ -	\$ -	\$ 9,070,594	-	N/A	
2016	9,765,000	\$ -	102,616	-	-	9,867,616	-	N/A	
2015	10,485,000	-	169,628	-	-	10,654,628	0.51%	53,945	
2014	11,125,000	-	157,360	-	-	11,282,360	0.44%	50,088	
2013	12,052,969	-	134,906	-	-	12,187,875	0.39%	47,886	
2012	12,865,691	-	165,779	-	-	13,031,470	0.37%	47,819	
2011	13,641,274	-	46,951	-	-	13,688,225	0.34%	46,295	
2010	14,399,870	-	61,081	-	-	14,460,951	0.31%	44,241	
2009	14,886,576	-	178,140	-	-	15,064,716	0.28%	42,181	
2008	7,861,527	-	-	6,000,000	-	13,861,527	0.31%	43,644	

N/A - Not Available

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

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

^b Does not include July 27, 2017 Bond Issue \$16,000,000

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

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

Exhibit J-11

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation ^c Bonds	Deductions	Net General Bonded Debt Outstanding		
2017	\$ 9,020,000	\$ -	\$ 9,020,000	0.72%	N/A
2016	9,765,000	-	9,765,000	0.78%	N/A
2015	10,485,000	-	10,485,000	0.88%	53,945
2014	11,125,000	-	11,125,000	0.94%	50,088
2013	10,485,000	-	10,485,000	0.89%	47,886
2012	12,865,691	-	12,865,691	1.10%	47,819
2011	13,641,274	-	13,641,274	1.13%	46,295
2010	14,399,870	-	14,399,870	1.22%	44,241
2009	14,886,576	-	14,886,576	1.28%	42,181
2008	7,861,527	-	7,861,527	0.69%	43,644

N/A - Not Available

Notes:

- a** Details regarding the district's outstanding debt can be found in the notes to the financial statements.
- b** See Exhibit J-6 for property tax data.
- c** Population data can be found in Exhibit J-14.
- c** Does not include \$16,000,000 Bond issue dated July 27, 2017

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

**WEEHAWKEN BOARD OF EDUCATION
AS OF JUNE 30, 2017**

Exhibit J-12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Weehawken School District	\$ 9,070,594	\$ 9,070,594	\$ -
Weehawken Township	<u>112,778,240</u>	<u>46,705,974</u>	<u>66,072,266</u>
	<u>\$ 121,848,834</u>	<u>\$ 55,776,568</u>	<u>\$ 66,072,266</u>
Overlapping Debt:			
County of Hudson (2) - Township's Share (3.64%)			<u>19,848,783</u>
			<u>\$ 85,921,049</u>

Sources:

- (1) Weehawken's Annual Debt Statement - June 30, 2017
- (2) Hudson County Treasurer's Office. The County debt was apportioned to Weehawken Township by dividing the Township's 2017 Equalized Value by the total 2017 Equalized Value for Hudson County, which results in an apportionment rate of 3.64%

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

LEGAL DEBT MARGIN INFORMATION

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized Valuation Basis	
	2015	2,658,087,930
	2016	2,600,615,593
	2017	2,854,856,761
	[A]	\$ 8,113,560,284
Average equalized valuation of taxable property	[A/3]	\$ 2,704,520,095
Debt limit (4 % of average equalization value)	[B]	108,180,804 ^a
Total Net Debt Applicable to Limit	[C]	66,072,266
Legal debt margin	[B-C]	\$ 42,108,538

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 108,180,804	\$ 104,676,301	\$ 103,736,654	\$ 99,804,515	\$ 95,699,435	\$ 91,849,871	\$ 60,840,222	\$ 60,717,552	\$ 89,026,345	\$ 83,079,701
Total net debt applicable to limit	9,070,594	9,867,616	10,485,000	11,125,000	12,052,969	12,865,691	13,641,274	14,399,870	14,886,576	7,861,527
Legal debt margin	\$ 99,110,210	\$ 94,808,685	\$ 93,251,654	\$ 88,679,515	\$ 83,646,466	\$ 78,984,180	\$ 47,198,948	\$ 46,317,682	\$ 74,139,769	\$ 75,218,174
Total net debt applicable to the limit as a percentage of debt limit	8.38%	9.43%	10.11%	11.15%	12.59%	14.01%	22.42%	23.72%	16.72%	9.46%

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

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

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

Exhibit J-14

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>School District Population</u>
2017	3.50%	N/A	N/A
2016	4.80%	N/A	15,138
2015	3.80%	53,945	14,040
2014	4.90%	50,088	13,219
2013	9.30%	47,886	13,049
2012	9.30%	47,819	12,955
2011	9.00%	46,295	12,857
2010	11.40%	44,241	12,568
2009	10.70%	42,181	12,379
2008	4.80%	43,644	12,321
2007	5.90%	40,816	12,275
2006	4.10%	38,902	12,471

* Per capita income for Hudson County

N/A Not Available

(E) Estimate

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

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

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

Exhibit J-15

PRINCIPAL EMPLOYERS

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
UBS Financial Services	5,000	1	51.16%			
The Swatch Group US Inc.	700	2	7.16%	350	4	4.72%
Arcorp Properties	500	3	5.12%			
New Jersey Department of Transportation	300	4	3.07%	300	6	4.04%
Ceres Marine Terminals Inc.	200	5	2.05%	200	8	2.70%
Dykes Lumber Co. Inc	175	6	1.79%			
The Port Authority of New York & NJ	110	7	1.13%			
Chart House Restaurant	100	8	1.02%			
Hanover Direct Incorporated	100	9	1.02%	340	5	4.58%
Houlihan's	100	10	1.02%			
Specialists LTD	100	11	1.02%			
Marine Personnel & Provisioning Inc.				1,270	1	17.12%
Port Imperial Ferry Corp.				700	2	9.44%
Citicorp Data Systems Incorporated				594	3	8.01%
Hartz Mountain Industries Inc.				250	7	3.37%
Citicorp Information Technologies				150	9	2.02%
Qwest Cyber Solutions				150	10	2.02%
	<u>7,385</u>		<u>75.56%</u>	<u>4,304</u>		<u>58.02%</u>

Source: Hudson County Economic Development Corp.

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-16

FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION / PROGRAM

FUNCTION / PROGRAM	Fiscal Year Ending June 30,																																																																																																																																																																																																																																																
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008																																																																																																																																																																																																																																							
Instruction:											Regular	97	94	91	91	89	89	89	89	89	89	Special education	12	12	11	10	10	9	8	8	9	10	Other special education											Vocational											Other instruction	11	11	11	17	17	17	17	17	17	17	Nonpublic school programs											Adult/continuing education programs											Support Services:											Student & instruction related services	31	39	30	31	31	29	27	33	33	29	General administration	5	5	5	5	5	5	5	5	5	5	School administrative services	7	7	7	7	7	7	7	7	7	7	Other administrative services				1	1	1	1	1	1	1	Central services	2	2	2	2	2	2	3	3	3	3	Administrative Information Technology											Plant operations and maintenance	12	12	12	12	11	11	11	11	11	14	Pupil transportation	7	7	7	9	9	9	9	13	9	10	Other support services											Special Schools											Food Service											Child Care											TOTAL FUNCTION / PROGRAM	184	189	176	185	182	179	177	187	184	185
Regular	97	94	91	91	89	89	89	89	89	89	Special education	12	12	11	10	10	9	8	8	9	10	Other special education											Vocational											Other instruction	11	11	11	17	17	17	17	17	17	17	Nonpublic school programs											Adult/continuing education programs											Support Services:											Student & instruction related services	31	39	30	31	31	29	27	33	33	29	General administration	5	5	5	5	5	5	5	5	5	5	School administrative services	7	7	7	7	7	7	7	7	7	7	Other administrative services				1	1	1	1	1	1	1	Central services	2	2	2	2	2	2	3	3	3	3	Administrative Information Technology											Plant operations and maintenance	12	12	12	12	11	11	11	11	11	14	Pupil transportation	7	7	7	9	9	9	9	13	9	10	Other support services											Special Schools											Food Service											Child Care											TOTAL FUNCTION / PROGRAM	184	189	176	185	182	179	177	187	184	185											
Special education	12	12	11	10	10	9	8	8	9	10	Other special education											Vocational											Other instruction	11	11	11	17	17	17	17	17	17	17	Nonpublic school programs											Adult/continuing education programs											Support Services:											Student & instruction related services	31	39	30	31	31	29	27	33	33	29	General administration	5	5	5	5	5	5	5	5	5	5	School administrative services	7	7	7	7	7	7	7	7	7	7	Other administrative services				1	1	1	1	1	1	1	Central services	2	2	2	2	2	2	3	3	3	3	Administrative Information Technology											Plant operations and maintenance	12	12	12	12	11	11	11	11	11	14	Pupil transportation	7	7	7	9	9	9	9	13	9	10	Other support services											Special Schools											Food Service											Child Care											TOTAL FUNCTION / PROGRAM	184	189	176	185	182	179	177	187	184	185																						
Other special education											Vocational											Other instruction	11	11	11	17	17	17	17	17	17	17	Nonpublic school programs											Adult/continuing education programs											Support Services:											Student & instruction related services	31	39	30	31	31	29	27	33	33	29	General administration	5	5	5	5	5	5	5	5	5	5	School administrative services	7	7	7	7	7	7	7	7	7	7	Other administrative services				1	1	1	1	1	1	1	Central services	2	2	2	2	2	2	3	3	3	3	Administrative Information Technology											Plant operations and maintenance	12	12	12	12	11	11	11	11	11	14	Pupil transportation	7	7	7	9	9	9	9	13	9	10	Other support services											Special Schools											Food Service											Child Care											TOTAL FUNCTION / PROGRAM	184	189	176	185	182	179	177	187	184	185																																	
Vocational											Other instruction	11	11	11	17	17	17	17	17	17	17	Nonpublic school programs											Adult/continuing education programs											Support Services:											Student & instruction related services	31	39	30	31	31	29	27	33	33	29	General administration	5	5	5	5	5	5	5	5	5	5	School administrative services	7	7	7	7	7	7	7	7	7	7	Other administrative services				1	1	1	1	1	1	1	Central services	2	2	2	2	2	2	3	3	3	3	Administrative Information Technology											Plant operations and maintenance	12	12	12	12	11	11	11	11	11	14	Pupil transportation	7	7	7	9	9	9	9	13	9	10	Other support services											Special Schools											Food Service											Child Care											TOTAL FUNCTION / PROGRAM	184	189	176	185	182	179	177	187	184	185																																												
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Source: District Personnel Records

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

Fiscal Year	Enrollment	Fiscal Year	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	School					
2017	1,347	\$ 32,736,403	24,303	0.11	121	12.05	10.37	10.96	1,347	1,272	-1.75%	94.43%	
2016	1,372	\$ 30,027,046	21,886	0.03	127	12.77	9.90	10.17	1,371	1,303	3.24%	95.04%	
2015	1,328	28,173,214	21,215	0.09	113	13.41	12.67	10.20	1,328	1,261	1.45%	94.95%	
2014	1,309	25,401,490	19,405	(0.04)	118	13.72	13.25	9.62	1,309	1,236	4.05%	94.42%	
2013	1,258	25,405,421	20,195	0.05	115	13.05	12.05	9.23	1,258	1,194	1.53%	94.91%	
2012	1,239	23,855,881	19,254	0.02	114	8.00	8.80	9.85	1,239	1,183	-0.72%	95.48%	
2011	1,248	23,590,341	18,903	0.01	114	12.52	11.23	9.92	1,248	1,177	2.80%	94.31%	
2010	1,214	22,646,245	18,654	(0.02)	117	10.97	10.52	9.52	1,214	1,158	3.58%	95.39%	
2009	1,172	22,323,397	19,047	0.02	117	10.21	10.10	8.58	1,172	1,116	1.65%	95.22%	
2008	1,152	21,453,786	18,623	0.38	116	15.26	11.90	10.37	1,153	1,101	-4.00%	95.49%	

Sources: District records

Note: Enrollment based on annual October district count.

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

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-18

SCHOOL BUILDING INFORMATION

District Building	Fiscal Year Ending June 30,										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Pre-K thru Grade 2</u>											
Daniel Webster (1939)											
Square Feet	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	35,431	35,431
Capacity (students)	281	281	281	281	281	281	281	281	281	257	257
Enrollment	458	445	429	417	405	388	388	384	345	320	332
<u>Grade 3 thru Grade 6</u>											
Theodore Roosevelt (1928)											
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300	56,300	56,300	39,669	39,669
Capacity (students)	311	311	311	311	311	311	311	311	311	283	283
Enrollment	363	356	380	397	374	348	348	340	318	306	332
<u>Grade 7 thru Grade 12</u>											
Weehawken High School (1939)											
Square Feet	125,600	125,600	125,600	125,600	125,600	125,600	125,600	125,600	124,000	83,937	83,937
Capacity (students)	572	572	572	572	572	572	572	572	572	546	546
Enrollment	526	560	520	488	480	512	512	505	517	526	527

Number of Schools at June 30, 2014

Elementary School = 2

High School = 1

Other = 0

Source: District Facilities Office

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

Capacity of schools are from the Long Range Facilities Plan.

WEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-19

SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY

Undistributed Expenditures - Required
Maintenance for School Facilities

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
* School Facilities										
1 Building A - High School	\$ 65,621	\$ 80,340	\$ 86,214	\$ 111,630	\$ 84,475	\$ 77,560	\$ 89,298	\$ 113,591	\$ 96,375	\$ 89,897
2 Building B - Webster School	23,307	12,153	28,325	48,402	21,945	21,531	34,566	25,489	34,589	31,843
5 Building C - Roosevelt School	20,630	10,660	15,802	27,837	18,013	35,899	13,696	42,725	10,411	18,686
Total School Facilities	<u>109,558</u>	<u>103,153</u>	<u>130,341</u>	<u>187,869</u>	<u>124,433</u>	<u>134,990</u>	<u>137,560</u>	<u>181,805</u>	<u>141,375</u>	<u>140,426</u>
Other Facilities - District-wide										
Grand Total	<u>\$ 109,558</u>	<u>\$ 103,153</u>	<u>\$ 130,341</u>	<u>\$ 187,869</u>	<u>\$ 124,433</u>	<u>\$ 134,990</u>	<u>\$ 137,560</u>	<u>\$ 181,805</u>	<u>\$ 141,375</u>	<u>\$ 140,426</u>

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

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

WEEHAWKEN BOARD OF EDUCATION
AT JUNE 30, 2017
(Unaudited)

Exhibit J-20

INSURANCE SCHEDULE

	<u>Coverage</u>	<u>Deductible</u>
Property (1)		
Real and personal property	\$ 500,000,000	\$ 5,000
Extra expense	50,000,000	5,000
Flood zones- Special Flood Hazard Area	20,000,000	500,000
All other flood zones	75,000,000	10,000
Earthquake	50,000,000	n/a
Demolition / increased cost of construction	\$5,000,000/10,000,000	n/a
Fire department service charge	10,000	n/a
Arson reward	10,000	n/a
Pollutant cleanup and removal	250,000	n/a
Valuable papers & records	10,000,000	5,000
General liability (1)		
Bodily injury & property damage, products / completed		
Operations; personal and advertising injury / sexual abuse	11,000,000	n/a
Employee benefits liability	11,000,000	1,000
Premises medical payments	10,000	n/a
	per accident	
Terrorism	1,000,000	n/a
Business auto (1)		
Combined single limit for bodily injury and property damage	11,000,000	1,000
Uninsured/underinsured motorists - private passenger auto	1,000,000	
Uninsured/underinsured motorists - all other vehicles	15,000	per person
	30,000	per accident
	5,000	per accident
Personal injury protection (including pedestrians)	250,000	
Medical payments	5000-10000	
Hired car physical damage	110,000	1,000
Crime (1)		
Public employee dishonest with faithful performance	50,000	1,000
Theft, disappearance and destruction-money & securities	10,000	500
Forgery or alteration	50,000	1,000
Theft, disappearance and destruction - money orders & counterfeit & paper currency	50,000	1,000
Computer fraud	50,000	500
Electronic data processing (1)		
Blanket hardware / software	1,160,480	1,000
Coverage extensions:		
Transit	25,000	1,000
Loss of income	10,000	1,000
Boiler & machinery (1)		
Equipment breakdown	100,000,000	5,000
Surety bonds (1)		
Treasurer	250,000	1,000
Board secretary	250,000	1,000
Student accident		
All students incl sports, football K-12	5,000,000	25,000
Accident medical for volunteer workers	25,000	250
School leaders errors and omissions	6,000,000	5,000

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

Source: district records

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed In
Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

We have audited , in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements (the "financial statements"), and have issued our report thereon dated October 25, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated October 25, 2017.

Board of Education of the Weehawken School District Response to Findings

The District response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



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

October 25, 2017

SINGLE AUDIT SECTION

Exhibit K-2

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *N.J. State Office of Management and Budget's (OMB) State Grant Compliance Supplement 15-08* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the *N.J. State Office of Management and Budget's (OMB) State Grant Compliance Supplement 15-08*, which are described in the accompanying schedule of findings and questioned costs as items 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-002, that we consider to be material weaknesses.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the audit 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 N.J. Circular 15-08*. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the District as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report dated October 25, 2017 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the Uniform Guidance and schedule of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



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



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

October 25, 2017

WEEKHAWKEN BOARD OF EDUCATION
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Exhibit K-3
Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Year's Balances	(Accounts Receivable) June 30, 2017	Deferred Revenue	Due to Grantor June 30, 2017
U.S. Department of Agriculture														
Passed-through State Dept. of Agriculture Entomize Fund				\$										
Food Donation Program	10.555	171N1304N1099	N/A	37,914	06/30/17	\$	\$	37,914	(37,914)					
National School Lunch Program	10.555	171N1304N1099	N/A	200,042	07/01/16	(41,176)		186,070	(200,042)			(13,972)		
National School Breakfast Program	10.555	1616N1304N1099	N/A	223,314	07/01/15			41,176						
National School Breakfast Program	10.553	171N1304N1099	N/A	28,904	07/01/16	(6,985)		26,631	(28,904)			(2,273)		
National School Breakfast Program	10.553	1616N1304N1099	N/A	33,257	07/01/15	(48,161)		6,985						
Total U.S. Department of Agriculture								298,776	(266,860)			(16,245)		
U.S. Department of Education														
Passed-through State Dept. of Education Special Revenue Fund														
Title I, Part A	84.010	S010A160030		415,607	07/01/16	(210,789)		143,953	(369,486)			(271,634)	46,121	
Title II, Part A	84.010	S010A150030		423,510	07/01/15			210,789						
Title II Part A, Improving Teacher Quality State Grant	84.367A	S367B160030		61,243	07/01/16			56,891	(61,243)			(4,352)		
Title II Part A, Improving Teacher Quality State Grant	84.367A	S367B150029		65,152	07/01/15	(27,397)		27,397						
Title III English Language Acquisition State Grants	84.365	S365A160030		22,502	07/01/16	(10,832)		10,832	(22,502)			(22,502)		
Title III English Language Acquisition State Grants	84.365	S365A150030		15,329	07/01/15									
Title III Immigrant	84.365	S365A160030		6,924	07/01/16				(6,924)			(6,924)		
Title III Immigrant	84.365	S365A150030		12,677	07/01/15	(12,677)		12,677						
I.D.E.A. Part B, Basic Regular	84.027	H027A160100		319,845	06/30/17	(59,726)		218,777	(319,845)			(101,068)		
I.D.E.A. Part B, Basic Regular	84.027	H027A150100		329,848	07/01/15			59,726						
I.D.E.A. Part B, Preschool	84.173	H173A160114		10,321	07/01/16				(10,321)			(10,321)		
Subtotal for I.D.E.A. Cluster						(59,726)		278,503	(330,160)			(416,821)		
Total U.S. Department of Education						(321,421)		741,042	(790,321)			(416,821)	46,121	
U.S. Dept. of Health and Human Services														
Passed-through State Dept. of Education General Fund														
Medical Assistance Program-ARRA	93.778	1705N15MAP	N/A	2,097				2,097	(2,097)					
Medical Assistance Program	93.778	1705N15MAP	N/A	38,933				38,933	(38,933)					
Total U.S. Dept. of Health and Human Serv.								41,030	(41,030)					
Total Federal Financial Awards						(369,582)		1,080,848	(1,098,211)			(432,066)	46,121	

See independent auditor's report and notes to the financial statements
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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-5

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Weehawken School District (the "District"). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. and N.J. OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$28,345) for the general fund and (\$14,020) for the special revenue fund. See Note 14 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures are reported in the Board's basic financial statements on a GAAP basis as presented as follow:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 41,030	\$ 5,274,829	\$ 5,315,859
Special Revenue Fund	790,321	605,993	1,396,314
Debt Service Fund		162,939	162,939
Food Service Fund	266,860	5,085	271,945
Total Awards & Financial Assistance	<u>\$ 1,098,211</u>	<u>\$ 6,048,846</u>	<u>\$ 7,147,057</u>

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-5

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. 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, 2017.

NOTE 6. ADJUSTMENTS

Amounts reported in the accompanying financial schedules under the column heading for adjustments, if any, represent fiscal year 2016 encumbrances, which were canceled in fiscal year 2017, canceled receivables, or amounts transferred to General Fund deferred revenue. Canceled encumbrances totaled \$0, canceled receivables totaled \$0, state aid deductions not received in cash totaled \$701,294 and amounts transferred to General Fund revenue totaled \$0.

**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-6

Section I – Summary of Auditor’s Results

Financial Statements

(Reference – Section .516 and .518 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.)

Type of Auditors Report Issued	Unmodified		
Internal Control over Financial Reporting:			
1) Material weakness(s) identified?	Yes	X	No
2) Significant deficiencies identified?	Yes	X	None Reported
Noncompliance material to basic financial statement noted?	Yes	X	No

Federal Awards

Internal Control over major programs:			
1) Material weakness(s) identified	Yes	X	No
2) Significant deficiencies identified?	Yes	X	None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ?	X	Yes	No

Identification of major programs:

	CFDA Number/ FEIN Numbers	Name of Federal Program or Cluster
(Type B)	10.553/10.555/ 1616NJ304N1099	National School Lunch/ Breakfast

Dollar threshold used to determine type A and type B programs (518):	\$ 750,000
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Auditee qualified as low-risk auditee?	X	Yes	No
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**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-6

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

State Awards

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No _____

Internal Control over Major Programs

1) Material weakness identified

_____ Yes _____ X No _____

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

 X Yes _____

Type of Auditor’s Report Issued on compliance for major programs:

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?

 X Yes _____ No _____

Identification of major programs:

	<u>State Grant/ Project Number</u>	<u>Name of State Program</u>
(Type B)	17-495-034-5120-044	Extraordinary Aid
(Type B)	17-495-034-5120-089	Special Education Aid
(Type B)	17-495-034-5120-084	Security Aid
(Type A)	17-495-034-5120-085	Adjustment Aid
(Type B)	17-495-034-5120-014	Transportation Aid
(Type B)	17-495-034-5094-003	Social Security Tax
(Type B)	17-495-034-5120-086	Preschool Education Aid

**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-6

Section II – Financial Statement Findings

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

“No matters reported”

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

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

FEDERAL AWARDS

Finding 2017-001

Information on federal program: Medical Assistance Program (SEMI), CFDA # 97.778

Criteria or Specific requirement:

The District’s procedures should maximize its efforts under the SEMI Program for obtaining federal funding for special education services.

Condition:

The District is not maximizing its efforts under the SEMI Program for obtaining federal funding for special education.

Questioned Costs:- N/A

Context:

Certain benchmarks are not being achieved in order to maximize SEMI revenue.

Effect:

The District is not receiving the maximum amount of revenue entitled.

Cause:

Program target percentages are not all being met.

Recommendation:

That the district establish procedures to ensure that it maximizes its efforts under SEMI for obtaining federal reimbursement for special education services.

**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-6

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

FEDERAL AWARDS (continued):

Views of responsible official and planned corrective actions:

Procedures will be reviewed, and a visit will be paid to another district to ensure proper training is obtained.

STATE AWARDS

Finding 2017-002

Information on state program: Extraordinary State Aid- State # 17-495-034-5120-044

Criteria or specific requirement:

Extraordinary aid provides assistance to districts that have high costs for special needs students. All instructional and support services eligible costs must be included in the applications for the students in order to receive the calculated reimbursement.

Condition:

The district did not maximize its efforts under the Extraordinary Aid Program.

Questioned Costs: N/A

Context:

During the testing of Extraordinary Aid reimbursements, it was determined that not all costs are being included in the applications. It was also determined that not all students which were eligible were included in the applications.

Effect:

The District is not receiving the maximum amount of revenue entitled.

Cause:

The director of pupil services only included tuition costs when applying for Extraordinary Aid and did not include all eligible students and their related costs.

Recommendation:

The district should establish procedures to maximize their efforts under the Extraordinary Aid Program, by including other appropriate support services costs other than tuition on the student applications as well as including all eligible students and their respective costs.

**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit K-6

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

STATE AWARDS (continued):

Management's response:

The Special Education consultant will be brought in to give in service training to the entire Special Education Department. The Business Administrator will work jointly with the Special Education Director on the application.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS OF PREPARED BY MANAGEMENT**

Exhibit K-7

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

“No matter reported”

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2017

Submit a CAP only if there are findings in the CAFR and/or the AMR
Upload to the CAFR Repository with file name: CAP.PDF

SCHOOL DISTRICT/CHARTER/RENAISSANCE SCHOOL PROJECT

WEEHAWKEN BOARD OF EDUCATION _____

COUNTY HUDSON _____

CONTACT PERSON ROBERT BROWN _____

TYPE OF AUDIT FINANCIAL _____

TELEPHONE NUMBER 201-422-6125 _____

DATE OF BOARD MEETING NOVEMBER 21, 2017 _____

EMAIL ADDRESS bbrown@weehawken.k12.nj.us _____

RECOMMENDATION NUMBER	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
1.	Gate fee cash receipts categorized as miscellaneous revenue did not contain the proper documentation.	Pre-numbered tickets will start to be used. A cash reconciliation will be performed and tied to the bank deposit.	Athletic Director Business Office Clerical Assistant	Ongoing
2.	The District is not maximizing its efforts under the Special Education Medicaid Initiative Program for obtaining federal funding for Special Education Services.	Procedures will be reviewed and a visit will be paid to another district to ensure proper training is obtained.	Special Education Department	Ongoing



CHIEF SCHOOL ADMINISTRATOR

11/22/17

DATE



BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

11/22/17

DATE

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2017

Submit a CAP only if there are findings in the CAFR and/or the AMR
Upload to the CAFR Repository with file name: CAP.PDF

SCHOOL DISTRICT/CHARTER/RENAISSANCE SCHOOL PROJECT

WEEHAWKEN BOARD OF EDUCATION

COUNTY HUDSON

CONTACT PERSON ROBERT BROWN

TYPE OF AUDIT FINANCIAL

TELEPHONE NUMBER 201-422-6125

DATE OF BOARD MEETING NOVEMBER 21, 2017

EMAIL ADDRESS bbrown@weehawken.k12.nj.us

RECOMMENDATION NUMBER	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
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3. The District is not maximizing its efforts under the Extraordinary Aid Program. The Director of Pupil Services only included tuition costs and excluded other support services. There were also a few special needs students which were eligible for the reimbursement that we not included.

A special Education consultant will be brought in to give in service training to the entire Special Education Department. The Business Administrator will work jointly with the Special Education Director on the application.

Special Education Director
Business Administrator

May 2018



CHIEF SCHOOL ADMINISTRATOR

11/22/17
DATE



BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

11/22/17
DATE

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2017

Submit a CAP only if there are findings in the CAFR and/or the AMR
Upload to the CAFR Repository with file name: CAP.PDF

SCHOOL DISTRICT/CHARTER/RENAISSANCE SCHOOL PROJECT

WEEHAWKEN BOARD OF EDUCATION _____

COUNTY HUDSON _____

CONTACT PERSON ROBERT BROWN _____

TYPE OF AUDIT FINANCIAL _____

TELEPHONE NUMBER 201-422-6125 _____

DATE OF BOARD MEETING NOVEMBER 21, 2017 _____

EMAIL ADDRESS bbrown@weehawken.k12.nj.us _____

RECOMMENDATION NUMBER	CORRECTIVE ACTION REQUIRED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	PLANNED COMPLETION DATE OF IMPLEMENTATION
4.	Not all cash receipts contained all the proper documentation, therefore, prompt deposit could not be verified.	All cash receipts shall be brought to the School Office or Board Office. Copies should be made and date stamped for that day. A deposit slip should be made up immediately and the money taken to the bank.	School Principals Business Administrator	Ongoing



CHIEF SCHOOL ADMINISTRATOR

11/22/17

DATE



BOARD SECRETARY/SCHOOL BUSINESS ADMINISTRATOR

11/22/17

DATE