

REVISED APRIL 6, 2018

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
WILLINGBORO TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared by
Willingboro Township School District
Finance Department

OUTLINE OF CAFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor's Report	11

REQUIRED SUPPLEMENTARY INFORMATION — PART I

Management's Discussion and Analysis	15
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BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	35
B-8 Statement of Changes in Fiduciary Net Position	36
Notes to Financial Statements	37

REQUIRED SUPPLEMENTARY INFORMATION — PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule — General Fund	69
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program – Budget & Actual	N/A
C-2 Budgetary Comparison Schedule — Special Revenue Fund	78

(continued)

OUTLINE OF CAFR — (continued):

	PAGE
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	79

REQUIRED SUPPLEMENTARY INFORMATION — PART III

Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	81
L-2 Schedule of District Contributions – PERS	81
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	81
 Noted to the Required Supplementary Information – Part III	 83

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules Fund —	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund — Budgetary Basis	85
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	89
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	91
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance — Budgetary Basis	92
F-2a Schedule of Revenues, Expenditures Project Balance & Project Status — Upgrades to Levitt Middle School	93
F-2b Schedule of Revenues, Expenditures Project Balance & Project Status — Other Capital Projects	94
F-2c Schedule of Revenues, Expenditures Project Balance & Project Status — Renovations to Levitt Middle School	95
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	97
G-2 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	98
G-3 Combining Schedule of Cash Flows	99

OUTLINE OF CAFR — (continued):

	PAGE
G. Proprietary Funds (continued):	
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	101
H-2 Combining Statement of Changes in Fiduciary Net Position	102
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	103
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	103
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	105
I-2 Schedule of Obligations Under Capital Leases	106
I-3 Debt Service Fund Budgetary Comparative Schedule	107

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	109
J-2 Changes in Net Position	110
J-3 Fund Balance – Governmental Funds	113
J-4 Changes in Fund Balances – Governmental Funds	114
J-5 General Fund Other Local Revenue by Source	115
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	116
J-7 Direct & Overlapping Property Tax Rates	117
J-8 Principal Property Tax Payers	118
J-9 Property Tax Levies & Collections	119
Debt Capacity:	
J-10 Ratio of Outstanding Debt to Type	119
J-11 Ratio of General Bonded Debt Outstanding	120
J-12 Ratio of Overlapping Governmental Activities Debt	120
J-13 Legal Debt Margin Information	121
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	122
J-15 Principal Employers	N/A
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	N/A
J-17 Operating Statistics	123
J-18 School Building Information	N/A
J-19 Schedule of Required Maintenance	124
J-20 Insurance Schedule	125

OUTLINE OF CAFR — (continued):

	PAGE
K. SINGLE AUDIT SECTION	
K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	127
K-2 Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and New Jersey OMB Circular 25-08	129
K-3 Schedule of Expenditures of Federal Awards, Schedule A	133
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	135
K-5 Notes to Schedules of Awards and Financial Assistance	137
K-6 Schedule of Findings and Questioned Costs	139
K-7 Financial Statement Findings	141
K-8 Summary Schedule of Prior Audit Findings	145 (concluded)

INTRODUCTORY SECTION



WILLINGBORO PUBLIC SCHOOLS

WILLINGBORO, NEW JERSEY 08046-2847



KELVIN L. SMITH, CPA, MBA
BUSINESS ADMINISTRATOR/BOARD SECRETARY

COUNTRY CLUB ADMINISTRATION BUILDING
440 BEVERLY-RANCOCAS ROAD
TELEPHONE: (609)835-8600 EXT. 1020
FAX: (609)871-1566

November 21, 2017

The Honorable President and
Members of the Board of Education
Willingboro Township School District
Burlington County, New Jersey 08046

Dear Board Members:

The comprehensive annual financial report of the Willingboro Township School 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 administration of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the 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 the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules and the auditor's report. 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 conformance with the provisions 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 New Jersey 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 report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Willingboro Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by National Center for Governmental Accountants Statement No. 3. All fund account groups of the District are included in this report. The Willingboro Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education programs. The District completed the 2016-2017 fiscal year with an average daily enrollment of 3670, which is six students more than the previous year's average enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	3670	0.16
2015-2016	3664	(-0.02)
2014-15	3739	2.79%
2013-14	3605	(7.22%)
2012-13	4104	(7.53%)
2009-10	4578	(2.20%)
2008-09	4681	(1.54%)
2007-08	4754	(7.65%)
2006-07	5148	(8.53%)

2) MAJOR INITIATIVES:

- The School District has substantially completed a district wide renovation/construction to replace the major building systems at the district as well as specific upgrades such as renovation of the Willingboro High School Auditorium, installation of windows throughout the school district, renovation of science labs at Memorial Middle School and Willingboro High School as well as replacement of fire alarm systems and installation of emergency generators etc. The final project at the Levitt School completed renovations June 2016.

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

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

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

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

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

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

6) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District meets its responsibility for financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund. Revenues for the fiscal year ended June 30, 2017 and the amount and percentage of increases (decreases) in relation to prior year revenues.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2017 and the amount and percentage of increases (decreases) in relation to prior year amounts:

<u>Revenues</u>	<u>2016-2017</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2016</u>	<u>Percentage Increase (Decrease)</u>
Local Sources	32,480,822	39.25%	1,024,026	3.25%
State Sources	47,599,787	57.52%	578,843	1.23%
Federal Sources	2,675,058	3.23%	497,067	22.82%
Total Revenue	<u>82,755,667</u>	<u>100.00%</u>	<u>2,099,936</u>	<u>2.60%</u>

<u>Expenditures</u>	<u>2016-2017 Actual</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2016</u>	<u>Percentage Increase (Decrease)</u>
Operating	76,801,533	97.44%	1,641,958	2.18%
Capital Outlay	155,310	0.20%	(6,826,479)	-97.78%
Special Schools	0	0.00%	0	0%
Debt Services	1,866,181	2.37%	418,181	28.88%
Total Expenditures	<u>78,823,024</u>	<u>100.00%</u>	<u>(4,766,340)</u>	<u>-5.70%</u>

7) **DEBT ADMINISTRATION:** At June 30, 2017, the District's outstanding debt issues included \$22,185,000 general obligation bonds.

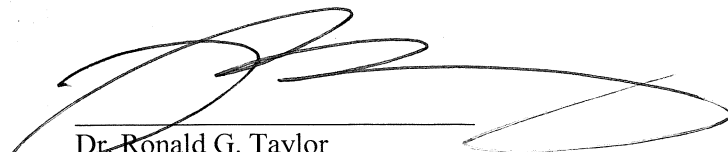
8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note #2. The District has adopted an investment policy, which requires it to deposit public funds in public depositories protected from loss under 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 Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident insurance, and fidelity bonds.


10) **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board approved the accounting firm of Brent Lee & Co. LLC during the meeting of March 29, 2017. 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the Willingboro Township Board of Education for its concern for providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing its full support to the ongoing improvement of the financial operation. The preparation of this report could not have been accomplished without the dedicated services of the District staff.

Respectfully submitted,



Dr. Ronald G. Taylor
Superintendent of Schools



Kelvin L. Smith, CPA, MBA
Business Administrator/Board Secretary

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WILLINGBORO PUBLIC SCHOOLS

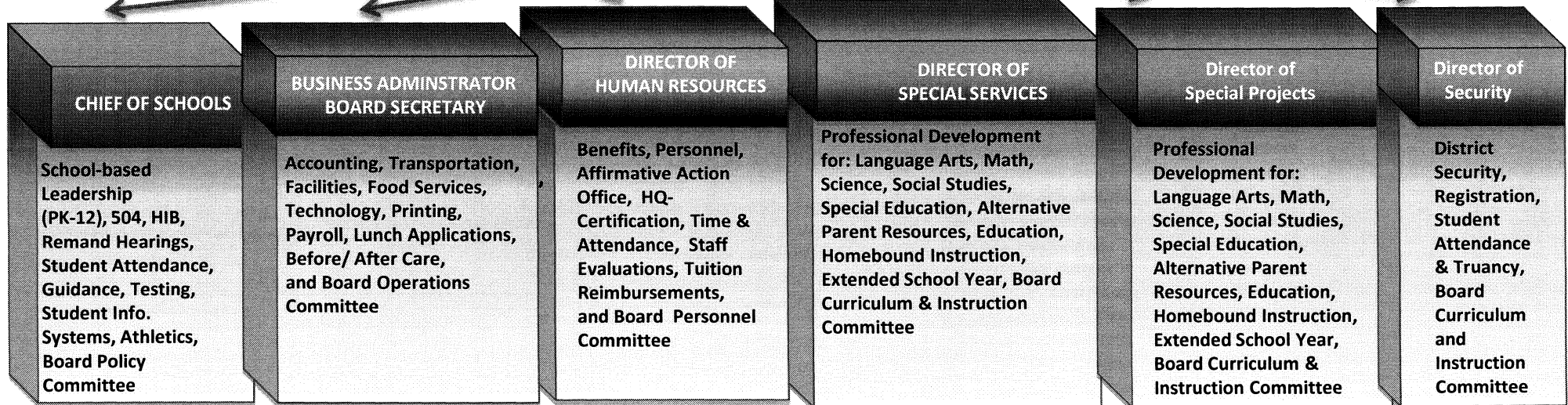
WILLINGBORO BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS

DEPUTY SUPERINTENDENT OF SCHOOLS

School-based Leadership, Special Services, Business Administration & Operations, Human Resources, NJQSAC, Security, Special Projects, ESL, Early Childhood, Nursing, Registration, Student Attendance, NCLB Grants, and Board Curriculum & Instruction Committee

-7-



WILLINGBORO BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Felicia Hopson, President	2018
Tonya Brown, Vice President	2017
Grover Mckenzie	2019
Dennis Tunstall	2019
Sarah Holley	2017
Kimbrali Davis	2019
Gary Johnson	2017
Garland Hearn	2018
Theresa Rita Owens	2018

OTHER OFFICIALS

Dr. Ronald G. Taylor, Superintendent of Schools

Kelvin Smith, Business Administrator/Board Secretary

Dr. Dale Talbert, Assistant Superintendent

Mr. Kevin Guyton, Assistant Superintendent – resigned effective 12/31/16

Ms. Teresa-Ann Lucas, Assistant Superintendent – Effective 12/31/16

Mr. Abdel Gutierrez, Director of Special Services – resigned 4/14/17

Mr. John Ragan, Interim Director of Special Services – effective 5/1/17

WILLINGBORO BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

BRENT W. LEE & CO., LLC
Certified Public Accounting Firm
3008 New Albany Road
Cinnaminson, New Jersey 08077

ATTORNEYS

Lester Taylor, Esq.
FLORIO, PERRUCCI, STEINHARDT & FADER
ATTORNEYS AT LAW
235 Broubalow Way
Phillipsburg, NJ 08865

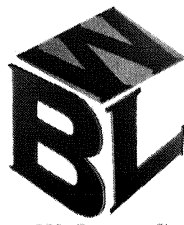
OFFICIAL DEPOSITORIES

TD Bank
336 Route 70 East
Marlton, New Jersey 08053

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FINANCIAL SECTION





BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Willingboro Township School District
County of Burlington
Willingboro, New Jersey 08046

Report on the Financial Statements

I 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 Willingboro Township School District, in the County of Burlington, State of New Jersey, 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Willingboro Township School District Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are 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. Such information has been subjected to the auditing procedures

applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America by me. In my opinion, based on my audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated November 21, 2017 on my consideration of the Willingboro Township School District Board of Education's internal control structure over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant
Licensed Public School Accountant No. 700

Cinnaminson, New Jersey
November 21, 2017

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REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS



**WILLINGBORO TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The discussion and analysis of the Willingboro Township Public School District's financial performance provides an overall review of the District's 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 notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

Financial Highlights-2017

Net Position totaled \$20,364,506, which represents a \$1,282,319 decrease from 2016-2017. The decrease is mostly due to a reduction in grant receivables and an increase in pension liability.

General Fund revenues accounted for \$76,990,696 in revenue or 93.03% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$3,898,789 or 4.71% of the total revenue, the remainder was the debt service in the amount of \$1,866,182 or 2.25% of total revenue in the amount of \$82,755,667.

The District had \$78,823,024 in expenses; special revenue funds accounted for \$3,898,747 and debt service \$1,866,181 and permanent funds in the amount of \$ 724. Note: The Capital Outlay Fund in the amount of \$3,500, the remaining funds in the amount of \$73,053,872. Capital Outlay Fund does not show a revenue source outset, however, it is included as a component of overall revenue over expenditure amount.

Among major funds, the General Fund had \$76,990,696 in revenues and \$73,053,872 in expenditures. The General Fund's fund balance is \$4,386,093.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the 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. Governmental fund 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 with all other non-major funds presented in total in one column. In the case of the Willingboro Township Public School District, the General Fund is by far the most significant.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2017." The Statement of Net Position and the Statement of activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

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

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds provides detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, 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 fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

The District as a Whole

Table I provides a comparative summary of the District's net position for 2016 and 2015.

Table I – Net Position

The District's combined net position were \$20,364,506 on June 30, 2017. This is a decrease of 6.29% from the previous fiscal year.

Net Position	30-Jun-17	30-Jun-16
Invested in Capital Assets, Net of Debt	\$ 37,439,018	39,033,761
Restricted For: Other Purposes	5,239,338	4,521,274
Unrestricted	(22,313,850)	(21,908,210)
Total Net Position	\$ <u>20,364,506</u>	\$ <u>21,646,825</u>

Government Activities

Property taxes as approved by the voters of the Willingboro Township made up 39% of revenues for governmental activities for the fiscal year 2017. The District's total revenues were \$82,755,667 for the year ended June 30, 2017. Federal, state, local grants and miscellaneous account for the other 61% of revenue.

Revenue for Fiscal Year 2017

<u>Revenue</u>	<u>FY 2017</u>
Tax Levy	31,728,920
Tuition Charges	208,462
Miscellaneous	543,440
State Services	47,599,787
Federal Sources	<u>2,675,058</u>
Total	<u><u>\$82,755,667</u></u>

Expenses for Fiscal Year 2017

The total cost of all programs and services was \$78,823,024 Instruction and out of district tuition comprises 26% of the District's expenses.

<u>Expense</u>	<u>FY 2017</u>
Instruction	18,924,343
Out of District Placement	6,329,172
Undistributed Expenditures	51,547,294
Capital Outlay	155,310
Debt Service	1,866,181
Scholarships Awarded	<u>724</u>
Total	<u><u>\$78,823,024</u></u>

Business-Type Activities

Revenues for the District's business-type activities (food service and the before and after school program) were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$222,315. Charges for services represent 100% of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$1,647,138

Before and after school program revenues exceeded expenses by \$41,309 Charges for services represent 100% of revenue. This represents the amount paid by patrons for tuition.

Governmental Activities

The Comparative Statement of Activities (Table 3) shows the cost of program services for 2016-2017 compared to 2015-2016.

Table 3 – Comparative Statement of Activities

	<u>2016-2017</u>	<u>2015-2016</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Instruction (Excluding Grants)	18,924,343	18,432,823	491,520	2.67%
Co/Extra Curricular Activities	1,573,121	1,703,235	(130,114)	-7.64%
Special Education Instruction	4,756,051	4,861,153	(105,102)	-2.16%
Attendance, Health, Student & Related Services (Excluding Grants)	6,233,476	6,601,623	(368,147)	-5.58%
Library com	726,244	715,930	10,314	1.44%
Improvement of Instruction Services	422,770	444,889	(22,119)	-4.97%
General and School Administration	4,584,662	4,435,830	148,832	3.36%
Central Services & Adm Info Technology	1,080,151	1,021,087	59,064	5.78%
Plant Operations and Maintenance	7,090,880	7,102,633	(11,753)	-0.17%
Pupil Transportation	3,743,123	3,600,282	142,841	3.97%
Fringe Benefits	9,230,876	8,508,196	722,680	8.49%
Scholarships	724	1,448	(724)	-50.00%
Capital Outlay	155,310	6,981,789	(6,826,479)	-97.78%
Tuition	9,204,236	8,822,569	381,667	4.33%
Debt Service	1,866,181	1,847,681	18,500	1.00%
Total District Obligations	<u>69,592,148</u>	<u>75,081,168</u>	<u>(5,489,020)</u>	<u>-7.31%</u>
Fringe Obligations of the State	<u>9,230,876</u>	<u>8,508,196</u>	<u>722,680</u>	<u>7.83%</u>
Grand Total	<u>78,823,024</u>	<u>83,589,364</u>	<u>(4,766,340)</u>	<u>-6.05%</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular and co-curricular activities.

Extracurricular and co-curricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

Attendance, Health, Medical and other support services initiate activities that enable students to receive instruction and support.

Improvement of instruction staff includes the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

General administration, school administration, central services and administrative information technology include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

Special Schools include the Adult High School. Capital Outlay includes improvement to school facilities and equipment. Debt Services include current payments for long-term debt.

The District's Funds

Information about the District's major funds starts on page 28 these funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$82,755,667.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2017 and June 30, 2016 and the amount of increases and decreases in relation to prior year expenditures.

Instruction increased by \$491,520 primarily due to increase in purchase of technology equipment, textbooks purchases, and efficient programing of professional development.

Co-curricular and extracurricular activities expenses decreased by \$130,114 this decrease was due to benefit of refocusing resources in the area on instruction to enhance student learning in 2015-2016.

Special Education Instruction decreased by \$105,102; as a result of purchasing more funds out of federal sources.

Attendance, health, and student support services decreased by \$368,147 due to decrease in purchased professional services.

Library and media services costs only increased by \$10,314 due to more media activity for the district.

Improvement of instructional services decreased by \$22,119 due to decrease in purchases of services and materials.

General and school administration increased by \$148,832 due to purchase of textbooks and substitute staffing.

Central services and administrative information technology costs increases by \$59,064 because of increase in support staff.

Plant operation and required maintenance costs decrease by \$11,753, because of aggressive maintenance and purchase of green products.

Pupil transportation cost increased by \$142,841 due to increase transportation of the district's special education students, homeless students, and other types of student population outside of the normal budgeted items.

Fringe benefit costs increased by \$722,680; this was primarily due to increase in health benefit cost.

Scholarships awarded decreased by \$742.

Capital outlay costs decreased by \$6,826,479 due to completion of the construction\renovation project approved by the community and board of education in the year 2009-2010.

Debt service costs increased by \$18,500; due to interest payable on the bond approved in the year 2009-2010.

Tuition increase by \$381,667 due to sending more students out of district for needed services.

Comparative Summary of Revenues

<u>Revenues</u>	<u>2016 - 2017</u>		<u>2015 - 2016</u>		<u>Increase (Decrease) from 2015-16 to 2016-17</u>
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Local Sources	\$ 32,480,822	39.2	\$ 31,456,796	39.0	\$ 1,024,026
State Sources	47,599,787	57.5	47,020,944	58.3	578,843
Federal Sources	2,675,058	3.2	2,177,991	2.7	497,067
	<u>\$ 82,755,667</u>	<u>100.0</u>	<u>\$ 80,655,731</u>	<u>100.0</u>	<u>\$ 2,099,936</u>

There was an increase in Local Funding of \$1,024,026, due to increase in Tax Levy, use of bank cap tuition charges and miscellaneous sources.

There was an overall increase in funding for State Sources in the amount of \$578,843.

There was an increase in funding for Federal Sources in the amount of \$497,067.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2017, the district amended its General Fund budget as appropriated. Transfers from one program to another must be approved by the Board of Education.

At the end of the fiscal year 2017, the District had \$115,859,491 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

Table 4 - Capital Assets at June 30

		<u>2017</u>	<u>2016</u>
Land/Sites	\$	1,508,465	\$ 1,508,465
Buildings and Improvements		105,110,827	95,985,018
Machinery and Equipment		9,240,199	9,153,293
Construction in Progress		<u>0</u>	<u>9,114,925</u>
Totals	\$	<u>115,859,491</u>	<u>\$ 115,761,701</u>

Overall capital assets increased by \$97,790 from fiscal year 2016 to fiscal year 2017 to primarily due to completion of construction\renovation of district schools.

For the Future

The Willingboro Board of Education continues to emphasize the improvement of instruction and student achievement. Programs implemented during the past four years were supported in the 2016-2017 budgets with emphasis of improving test scores. The Board will continue to support funding to improve the centralized student enrollment center; the summer curriculum development program; improved delivery of services in Math and Language Arts; and special education classes at the elementary level.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Kelvin L. Smith, CPA, MBA, Business Administrator/Board Secretary, Willingboro Township Public Schools, Country Club Administration Building, and 440 Beverly-Rancocas Road, Willingboro, New Jersey 08046.

BASIC FINANCIAL STATEMENTS

A. District -Wide Financial Statements

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$5,959,464	1,315,140	7,274,604
Receivables, Net	3,540,390	317,229	3,857,619
Inventory		208	208
Restricted Assets:			
Cash & Cash Equivalents	1,136,546		1,136,546
Capital Assets, Net (Note 4)	59,580,662	135,181	59,715,843
Total Assets	70,217,062	1,767,758	71,984,820
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	8,278,376	83,620	8,361,996
Total Deferred Outflows of Resources	8,278,376	83,620	8,361,996
LIABILITIES			
Accounts Payable	4,127,759	699,261	4,827,020
Accrued Interest	301,390		301,390
Other Liabilities	1,917,496		1,917,496
Unearned Revenue	100,526	22,080	122,606
Net Pension Liability	26,657,948	269,272	26,927,220
Noncurrent Liabilities (Note 5):			
Due Within One Year	1,003,371		1,003,371
Due Beyond One Year	23,851,610		23,851,610
Total Liabilities	57,960,100	990,613	58,950,713
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	1,021,281	10,316	1,031,597
Total Deferred Inflows of Resources	1,021,281	10,316	1,031,597
NET POSITION			
Invested in Capital Assets, Net of Related Debt	37,303,837	135,181	37,439,018
Restricted For:			
Other Purposes	5,239,338		5,239,338
Unrestricted	(23,029,118)	715,268	(22,313,850)
Total Net Position	\$19,514,057	850,449	20,364,506

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$18,814,343		2,803,487	(16,010,856)		(16,010,856)
Special Education	4,756,051			(4,756,051)		(4,756,051)
Other Special Instruction						
Other Instruction	1,573,121			(1,573,121)		(1,573,121)
Support Services & Undistributed Costs:						
Tuition	9,204,236			(9,204,236)		(9,204,236)
Attendance & Social Work Services	367,247			(367,247)		(367,247)
Health Services	734,973			(734,973)		(734,973)
Student & Instruction Related Services	5,131,256		1,101,858	(4,029,398)		(4,029,398)
Educational Media Services/ School Library	726,244			(726,244)		(726,244)
Instructional Staff Training	422,770			(422,770)		(422,770)
School Administrative Services	1,809,631			(1,809,631)		(1,809,631)
Other Administrative Services	2,775,031			(2,775,031)		(2,775,031)
Central Services	1,080,151			(1,080,151)		(1,080,151)
Plant Operations & Maintenance	7,083,496			(7,083,496)		(7,083,496)
Pupil Transportation	3,743,123			(3,743,123)		(3,743,123)
Unallocated Benefits	18,461,752		7,100,398	(11,361,354)		(11,361,354)
Transfer to Charter School	2,590,757			(2,590,757)		(2,590,757)
Scholarship Awarded	724			(724)		(724)
Nonbondable Capital Assets	95,311			(95,311)		(95,311)
Interest on Long-Term Debt	864,887			(864,887)		(864,887)
Increase in Pension Liability	1,621,272			(1,621,272)		(1,621,272)
Unallocated Depreciation	3,866,395			(3,866,395)		(3,866,395)

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Total Governmental Activities	85,722,771		11,005,743	(74,717,028)		(74,717,028)
Business-Type Activities:						
Food Service	2,389,685	520,232	1,647,138		(222,315)	(222,315)
Day Care Program	696,695	738,004			41,309	41,309
Total Business-Type Activities	3,086,380	1,258,236	1,647,138		(181,006)	(181,006)
Total Primary Government	<u>\$88,809,151</u>	<u>1,258,236</u>	<u>12,652,881</u>	<u>(74,717,028)</u>	<u>(181,006)</u>	<u>(74,898,034)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				29,862,738		29,862,738
Taxes Levied for Debt Service				1,866,182		1,866,182
Federal & State Aid Not Restricted				39,275,700		39,275,700
Tuition Received				208,462		208,462
Miscellaneous Income				545,782		545,782
Transfer in				374,500		374,500
Decrease in Compensated Absences Liability				807,351		807,351
Decrease in Other Liability				675,000		675,000
Total General Revenues, Special Items, Extraordinary Items & Transfers				<u>73,615,715</u>		<u>73,615,715</u>
Change In Net Position				(1,101,313)	(181,006)	(1,282,319)
Net Position - Beginning				20,615,370	1,031,455	21,646,825
Net Position - Ending				<u>\$19,514,057</u>	<u>850,449</u>	<u>20,364,506</u>

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

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B. Fund Financial Statements

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	PERMANENT FUND	TOTAL
Assets:						
Cash & Cash Equivalents	\$5,919,458		1,136,546	3	40,003	7,096,010
Due From Other Funds	1,924,736		133,447			2,058,183
Receivables From Other Governments	1,167,147	1,784,807				2,951,954
Other Receivables	117,221					117,221
Total Assets	\$9,128,562	1,784,807	1,269,993	3	40,003	12,223,368
Liabilities & Fund Balances:						
Liabilities:						
Accounts Payable	3,806,309	321,450				4,127,759
Payable to Other Governments	29,025	13,471				42,496
Other Liabilities	675,000					675,000
Note Payable			1,200,000			1,200,000
Interfund Payable	232,135	1,349,360	5,473			1,586,968
Unearned Revenue		100,526				100,526
Total Liabilities	4,742,469	1,784,807	1,205,473			7,732,749
Fund Balances:						
Restricted For:						
Excess Surplus	1,674,578					1,674,578
Excess Surplus Designated for Subsequent Year's Expenditures	3,146,536					3,146,536
Additional Excess Surplus Designated for Subsequent Year's Expenditures	313,698					313,698
Debt Service Fund				3		3
Capital Projects Fund						
Special Revenue Fund						
Permanent Fund					40,003	40,003
Committed to:						
Other Purposes			64,520			64,520
Assigned to:						
Designated for Subsequent Year's Expenditures						
Unassigned:						
General Fund	(748,719)					(748,719)
Total Fund Balances	4,386,093		64,520	3	40,003	4,490,619
Total Liabilities & Fund Balances	\$9,128,562	1,784,807	1,269,993	3	40,003	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$114,980,620 and the accumulated depreciation is \$55,399,958.	59,580,662
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 the fund statements.	8,278,376
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 statements.	(1,021,281)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds	(26,657,948)
Accrued Interest is not recorded in the fund statements	(301,390)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 5)	<u>(24,854,981)</u>
Net Position of Governmental Activities	<u>\$19,514,057</u>

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	PERMANENT FUND	TOTAL
Revenues:						
Local Tax Levy	\$29,862,738			1,866,182		31,728,920
Tuition Charges	208,462					208,462
Miscellaneous	536,800	6,598			42	543,440
State Sources	46,339,818	1,259,969				47,599,787
Federal Sources	42,878	2,632,180				2,675,058
Total Revenues	76,990,696	3,898,747		1,866,182	42	82,755,667
Expenditures:						
Current:						
Regular Instruction	16,120,856	2,803,487				18,924,343
Special Education Instruction	4,756,051					4,756,051
Other Special Instruction						
Other Instruction	1,573,121					1,573,121
Support Services & Undistributed Costs:						
Tuition	9,204,236					9,204,236
Attendance & Social Work Services	367,247					367,247
Health Services	734,973					734,973
Student & Instruction Related Services	4,035,996	1,095,260				5,131,256
Educational Media Services/School Librar	726,244					726,244
Instructional Staff Training	422,770					422,770
General Administrative Services	1,809,631					1,809,631
Other Administrative Services	2,775,031					2,775,031
Central Services	1,080,151					1,080,151
Plant Operations & Maintenance	7,090,880					7,090,880
Pupil Transportation	3,743,123					3,743,123
Unallocated Benefits	18,461,752					18,461,752
Scholarships Awarded					724	724
Debt Service:						
Principal				950,000		950,000
Interest				916,181		916,181
Capital Outlay	151,810		3,500			155,310
Total Expenditures	73,053,872	3,898,747	3,500	1,866,181	724	78,823,024
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	3,936,824		(3,500)	1	(682)	3,932,643
Other Financing Sources/(Uses):						
Transfer in	374,500					374,500
Snow Storm Reimbursement - FEMA	8,940					8,940
Transfer to Charter School	(2,590,757)					(2,590,757)
Total Other Financing Sources	(2,207,317)					(2,207,317)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources	1,729,507		(3,500)	1	(682)	1,725,326
Fund Balance - July 1	2,656,586		68,020	2	40,685	2,765,293
Fund Balance - June 30	\$4,386,093		64,520	3	40,003	4,490,619

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$1,725,326

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

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

Depreciation Expense	(3,866,395)	
Capital Outlays	<u>34,559</u>	(3,831,836)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 950,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 142,824

Accrued interest is not recorded in the governmental funds, but is expensed in the statement of net position.

Current Year	(301,390)	
Prior Year	<u>352,684</u>	51,294

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including services and interest costs, administrative costs, investment returns, and experience/assumptions. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (1,621,272)

Repayment of Compensated Absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, and is not reported in the statement of activities. 807,351

Repayment of Other Liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, and is not reported in the statement of activities. 675,000

Change in Net Position of Governmental Activities (\$1,101,313)

See accompanying notes to the financial statements.

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Proprietary Funds



**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	DAY CARE	
Current Assets:			
Cash & Cash Equivalents	\$504,002	811,138	1,315,140
Interfund Accounts Receivable	98,689		98,689
Due from Other Governments	163,817		163,817
Other Accounts Receivable	28,721	26,002	54,723
Inventories	208		208
Total Current Assets	795,437	837,140	1,632,577
Noncurrent Assets:			
Furniture, Machinery & Equipment	851,757	27,114	878,871
Less: Accumulated Depreciation	716,576	27,114	743,690
Total Noncurrent Assets	135,181		135,181
Total Assets	930,618	837,140	1,767,758
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows		83,620	83,620
Total Deferred Outflows of Resources		83,620	83,620
LIABILITIES			
Current Liabilities:			
Accounts Payable	153,201	2,734	155,935
Interfund Accounts Payable	352,840	190,486	543,326
Pension Liability		269,272	269,272
Unearned Revenue		22,080	22,080
Total Liabilities	506,041	484,572	990,613
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows		10,316	10,316
Total Deferred Inflows of Resources		10,316	10,316
NET POSITION			
Investment in Capital Assets, Net of Related Debt	135,181		135,181
Unrestricted	289,396	425,872	715,268
Total Net Position	\$424,577	425,872	850,449

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	DAY CARE	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$280,996		280,996
Daily Sales - Nonreimbursable Programs	212,897		212,897
Special Functions	26,339		26,339
Tuition & Fees		738,004	738,004
Total Operating Revenues	520,232	738,004	1,258,236
Operating Expenses:			
Cost of Sales - Reimbursable Programs	589,224		589,224
Cost of Sales - Non-Reimbursable Programs	63,869		63,869
Salaries	835,754	460,410	1,296,164
Management Fee	130,000		130,000
Employee Benefits	96,666	88,580	185,246
Cleaning, Repair & Maintenance Services	15,903		15,903
Travel Services	5,625	19,607	25,232
Purchased Services	81,624	11,770	93,394
Insurance	30,956		30,956
Supplies and Materials	214,187	11,828	226,015
Miscellaneous	19,424		19,424
Rent	270,000	104,500	374,500
Depreciation	36,453		36,453
Total Operating Expenses	2,389,685	696,695	3,086,380
Operating Income/(Loss)	(1,869,453)	41,309	(1,828,144)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	22,688		22,688
Federal Sources:			
National School Lunch Program	1,102,463		1,102,463
National School Snack Program	77,832		77,832
National School Breakfast Program	333,351		333,351
Food Distribution Program	110,804		110,804
Total Nonoperating Revenues/(Expenses)	1,647,138		1,647,138
Income/(Loss) Before Contributions & Transfers	(222,315)	41,309	(181,006)
Total Net Position - Beginning	646,892	384,563	1,031,455
Total Net Position - Ending	\$424,577	425,872	850,449

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

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Fiduciary Fund

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	PAYROLL AGENCY FUND	STUDENT ACTIVITY FUND	
Cash & Cash Equivalents	\$452,173	40,003	602,792	119,518	1,214,486
Interfunds Receivable	78,768				78,768
Total Assets	530,941	40,003	602,792	119,518	1,293,254
LIABILITIES					
Payable to Student Groups				119,518	119,518
Interfunds Payable			105,346		105,346
Payroll Deductions & Withholdings			497,446		497,446
Total Liabilities			602,792	119,518	722,310
NET POSITION					
Held in Trust for Unemployment Claims & Other Purposes	530,941				530,941
Reserved for Scholarships		40,003			40,003
Total Net Position	\$530,941	40,003	-	-	570,944

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

ADDITIONS	PRIVATE PURPOSE			TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	WORKERS COMPENSATION TRUST	
Contributions:				
Other	\$199,689			199,689
Total Contributions	199,689			199,689
Investment Earnings:				
Interest	827	42	3,611	4,480
Net Investment Earnings	827	42	3,611	4,480
Total Additions	200,516	42	3,611	204,169
DEDUCTIONS				
Workers Compensation			3,611	3,611
Scholarships Awarded		724		724
Total Deductions	300,341	724	3,611	304,676
Change in Net Position	(99,825)	(682)		(100,507)
Net Position - Beginning of the Year	630,766	40,685		671,451
Net Position - End of the Year	\$530,941	40,003		570,944

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

NOTES TO FINANCIAL STATEMENTS



WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Willingboro Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

A. Reporting Entity

The Willingboro Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The Willingboro Township Board of Education has an approximate enrollment at June 30, 2017 of 3,670 students.

B. Component Unit

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

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Financial Statements - The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

Governmental Fund Financial Statements — The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting:

The accounts of the Willingboro Township Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

As required by the New Jersey Department of Education Willingboro Township Board of Education includes budgeted Capital Outlay in this fund. Generally accepted accounting principles (GAAP) as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

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

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

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

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

Permanent Fund — Resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting governments programs, that is for the benefit of the government or its citizenry.

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed 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 Day Care Fund.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued):

D. Fund Accounting (continued):

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

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

Food Service Fund & Day Care Fund:	
Equipment	5 Years
Light Trucks & Vehicle	5 Years
Heavy Trucks & Vehicle	5 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds.

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund, Scholarship Fund and Workers Compensation Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds and Student Activity Funds as Agency Funds.

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

E. Basis of Accounting (continued):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

In its accounting and financial reporting, the Willingboro Township Board of Education follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Willingboro Township Board of Education's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

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 and are voted upon at the annual school election on the first Tuesday in November. Budgets are prepared using the modified

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control: (continued):

accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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

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

The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any.

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual — General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

**Notes to Required Supplementary information
Budgetary Comparison Schedule**

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	\$77,020,635	\$3,898,747

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued):

F. Budgets/Budgetary Control: (continued):

	General Fund	Special Revenue Fund
Difference — Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	\$3,584,979	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(3,614,918)</u>	<u> </u>
 Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	 <u>\$76,990,696</u>	 <u>\$ 3,898,747</u>
 Uses/Outflows of Resources		
Actual amounts (budgetary basis) “total outflows” from the budgetary comparison schedule	<u>\$73,053,872</u>	<u>\$ 3,898,747</u>
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	<u> </u>	<u> </u>
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	 <u>\$73,053,872</u>	 <u>\$ 3,898,747</u>

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 reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the Willingboro Township Board of Education has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

G. Encumbrances (continued):

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

H. Cash, Cash Equivalents and Investments:

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest *in*. *N.J.S.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 loss of funds on deposit with a failed banking institution in New Jersey.

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

I. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2017, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2014-2015 have been established. According to the School District's records, these amounts are adjustments in the financial statements.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

J. Inventories & Prepaid Expenses

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

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

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

K. 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 Willingboro Township Board of Education and that are due within one year.

L. Capital Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery & Equipment	3 - 20 Years
Building & Other Improvements	7 - 60 Years
Infrastructure	30 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2017 for such salaries.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued):

N. Compensated Absences

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

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Unearned Revenue

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

P. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

Q. Fund Balance Disclosure

In accordance with Government Accounting Standards Board, Fund Balance Reporting and Governmental Fund Type Definitions, the Willingboro Township Board of Education classifies governmental fund balances as follow:

- Non-spendable – includes fund balance amount that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Q. Fund Balance Disclosure (continued):

The Willingboro Township Board of Education uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance are available, unless prohibited by law or regulation. Additionally, the Willingboro Township Board of Education would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

R. Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

S. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended June 30, 2017:

Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this statement had no impact on the School District's financial statements.

Statement 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this statement had no impact on the School District's financial statements.

Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement 68, *Accounting and Financial Reporting for Pensions*. The adoption of this statement had no impact on the School District's financial statements.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

S. Impact of Recently Issued Accounting Principles (continued):

Statement 79, *Certain External Investment Pools and Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

Statement 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This statement replaces the requirements of GASB 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, Statement 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement 74, *Financial Reporting for Post-employment Benefit Plan Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement 80, *Blending Requirements for Certain Component Units* – an amendment of GASB Statement 14. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of statement 14, *The Financial Reporting Entity, as amended*. This statement will be effective for the year ended June 30, 2018. Management does not expect this statement to have a material impact on the School District's financial statements.

Statement 81, *Irrevocable Split-Interest Agreements*, The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement will be effective for the year ended June 30, 2018. Management does not expect this statement to have a material impact on the School District's financial statements.

Statement 82, *Pension Issues – an amendment of GASB Statement 67, 68 and 73*. The objective of this statement is to address certain issues that have been raised with respect to Statement 67, *Financial Reporting for Pension Plans*, Statement 68, *Accounting and Financial Reporting for Pensions*, and Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this statement are effective for reporting periods beginning after June 30, 2018. Management does not expect this statement to have a material impact on the School District's financial statements.

Statement 84, *Fiduciary Activities*. The statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement 84 establishes criteria for identifying

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

S. Impact of Recently Issued Accounting Principles (continued):

fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement 84 is effective for the reporting period beginning after December 31, 2018. Management does not expect this statement to have a material impact on the School District's financial statements.

Statement 85, *Omnibus 2017*. This statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement 85 is effective for the period beginning after June 15, 2017. Management does not expect this statement to have a material impact on the School District's financial statements.

Statement 86, *Accounting for Certain Debt Extinguishment*. Statement 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement 86 is effective for the period beginning after June 15, 2017. Management does not expect this statement to have a material impact on the School District's financial statements. Statement 87, *Leases*. Statement 87 establishes single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing the right to use an underlying asset. Statement 87 is effective for the reporting period beginning after December 15, 2019. Management does not expect this statement to have a material impact on the School District's financial statements.

T. Subsequent Events

Willingboro Board of Education has evaluated subsequent events occurring after June 30, 2017 through the date of November 17, 2017, which is the date the financial statements were available to be issued. In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

Note 2. Cash and Cash Equivalents and Investments

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2017, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 9,599,058</u>
Total Deposits	<u>\$ 9,599,058</u>
Reconciliation of Statements of Net Position:	
Governmental Funds	\$ 7,096,010
Enterprise Funds	1,315,140
Fiduciary Funds	<u>1,187,908</u>
Total Cash and Cash Equivalents	<u>\$ 9,599,058</u>

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 2. Cash and Cash Equivalents and Investments (continued):

Custodial Credit Risk — Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$10,709,975 at June 30, 2017. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$10,459,975 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk — The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at June 30, 2017 are provided in the above schedule.

Investment Credit Risk — The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the District or bonds or other obligations of the local unit or units within which the District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk — The District places no limit on the amount it may invest in any one issuer.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2015 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Fixed Assets:

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2017:

	June 30, 2016	Additions	Transfers	June 30, 2017
Land	\$ 1,508,465			1,508,465
Building & Improvements	95,985,018	7,384	9,118,425	105,110,827
Machinery & Equipment	8,337,653	23,675		8,361,328
Construction In-Progress	9,114,925	3,500	(9,118,425)	-
Subtotal	114,946,061	34,559		114,980,620
Accumulated Depreciation	(51,533,563)	(3,866,395)		(55,399,958)
Total	<u>\$ 63,412,498</u>	<u>(3,831,836)</u>		<u>59,580,662</u>

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 4. Fixed Assets (continued):

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2017:

	June 30, 2016	Additions	June 30, 2017
Machinery & Equipment:			
Food Service	\$788,526	63,231	851,757
Day Care	27,114		27,114
			<hr/>
Subtotal	815,640	63,231	878,871
Accumulated Depreciation	(707,237)	(36,453)	(743,690)
			<hr/>
Net Fixed Assets	\$108,403	26,778	\$135,181

Note 5. Long-Term Debt

During the fiscal year ended June 30, 2017 the following changes occurred in liabilities reported in the long-term debt:

	Balance 6/30/16	Increases	Retired/ Decreases	Balance 6/30/17	Due Within One Year
Compensated					
Absences Payable	\$ 2,098,961		807,351	1,291,610	
Other Liabilities	2,025,000		675,000	1,350,000	
Capital Leases					
Payable	171,195		142,824	28,371	28,371
Bonds Payable	23,135,000		950,000	22,185,000	975,000
				<hr/>	
Total	\$27,430,156	-	2,575,175	24,854,981	\$1,003,371

A. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 5. Long-Term Debt (continued):

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 975,000	882,931	\$ 1,857,931
2019	1,000,000	848,807	1,848,807
2020	1,025,000	813,806	1,838,806
2021	1,025,000	777,931	1,802,931
2022	1,050,000	742,056	1,792,056
2023-2027	5,410,000	3,103,131	8,513,131
2028-2032	6,050,000	1,966,000	8,016,000
2033-2036	5,650,000	627,063	6,277,063
Total	\$ 22,185,000	9,761,725	\$31,946,725

C. Capital Leases Payable

The District is leasing a time management system, textbooks and other equipment under capital leases totaling \$1,056,906. All capital leases are for terms of five years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 28,371	522	\$ 28,893
Total	\$ 28,371	522	\$ 28,893

As of June 30, 2017, the School District has operating lease agreements in effect for the following:

Copiers and a Mailing Machine

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 5. Long-Term Debt (continued):

C. Capital Leases Payable (continued):

Total operating lease payments made during the year ended June 30, 2017 and 2016 were \$49,173 and \$49,173 respectively. Future minimum lease payments are as follows:

Year	Amount
2018	\$ 49,173
2019	46,048
2020	36,675
2021	<u>9,169</u>
 Total Minimum Lease Payments	 <u>\$141,065</u>

Note 6. Pension Plans

Plan Descriptions — 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 (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, P.O. Box 295, Trenton, New Jersey, 08625. Teachers' Pension and Annuity Fund (TPAF)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 17A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 17A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114, 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92 P.L. 2007 and Chapter [03, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6. Pension Plans (continued):

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

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

For the year ended June 30, 2017, the District recognized pension expense of \$15,397,302 and revenue of \$15,397,302 for support provided by the State. Although the district does not report net pension liability or deferred outflows or inflows related to the 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>6/30/16(17)</u>	<u>6/30/15(16)</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 (Non-Employer – State of New Jersey)	78,666,367,052	63,204,270,305
State's portion of net pension liability that was associated with the district	204,925,532	167,534,573
State's portion of the net pension liability That was associated with the district as a percentage of collective net liability	.2604995493%	.265684392%

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 6. Pension Plans (continued):

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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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 separately issued State of New Jersey Division of Pensions and Benefits financial report.

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 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 (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - Since the District 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 Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6. Pension Plans (continued):

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Board of Education contributions to PERS amounted to \$807,700 for 2016.

The employee contribution rate was 7.06% effective July 1, 2015 and increased to 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 6. Pension Plans (continued):

Net Pension Liability and Pension Expense - At June 30, 2017, the District's proportionate share of the PERS net pension liability is valued to be \$26,927,220. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The District's proportion of the net pension liability was based on the Board of Education's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016, was .09092%, which was a decrease of .00392% from its proportion measured as of June 30, 2015.

	6/30/2017 July 1, 2016	6/30/2016 July 1, 2015
Actuarial valuation date		
Net Pension Liability	\$ 26,927,220	\$ 21,290,342
City's portion of the Plan's total Net Pension Liability	0.09092%	0.09484%

For the year ended June 30, 2017, the Board of Education had an allocated pension expense of \$2,437,565.

Actuarial Assumptions – The collective 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. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% Based on Age
Thereafter	20.65 – 5.15% Based on Age
Investment Rate of Return	7.65%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 2 year for males and 7 years for females) with adjustments for mortality improvements from the base year of 2013 using a generation approach based on the plan actuary's modified MP-2014 projection scale.

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.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6. Pension Plans (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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 separately issued State of New Jersey Division of Pensions and Benefits financial report.

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of 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 benefit 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 Board of Education's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>At 1% decrease (2.98%)</u>	<u>At current discount rate (3.98%)</u>	<u>At 1% increase (4.98%)</u>
State	34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
	<u>70,715,189,252</u>	<u>49,007,817,464</u>	<u>49,352,744,647</u>

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.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6. Pension Plans (continued):

For the year ended June 30, 2017, the District recognized pension expense of \$837,853 at June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 500,765	-
Changes of assumptions	5,577,882	
Net difference between projected and actual earnings on pension plan investments	1,026,759	
Changes in proportion and differences between District contributions and proportionate share of contributions	448,890	1,031,597
District contributions subsequent to the measurement date	807,700	
Total	<u>\$ 8,361,996</u>	<u>1,031,597</u>

Additional Information

Collective balances at June 30, 2016 and 2015 as follows:

	<u>6/30/16</u>	<u>6/30/15</u>
Collective deferred outflows of resources	\$ 7,554,296	3,363,885
Collective deferred inflows of resources	\$ 1,031,597	848,153
Collective net pension liability	\$26,927,220	\$21,290,342
 District's Proportion	 .090917716%	 .094842949%

\$807,700 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2018	\$ 1,149,928
2019	1,149,461
2020	1,149,461
2021	1,149,461
2022	1,149,461
Thereafter	<u>773,061</u>
Total	\$ <u>6,522,699</u>

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6. Pension Plans (continued):

Additional detailed information about the pension plans is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/gasb-68-rpts.shtml>

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The District's contributions, equal to the required contribution for June 30, 2017 is \$13,395.

Note 7. Post-Retirement Benefits

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund postretirement 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 postretirement 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, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to 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>

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2017

Note 8. Risk Management

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

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

New Jersey Unemployment Compensation Insurance — The District has elected to fund their New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2016-2017	\$ 58,613	\$827	\$ 204,419	\$452,174
2015-2016	36,000	685	-0-	597,153
2014-2015	29,197	270	-0-	634,042

Note 9. Contingent Liabilities

The Board of Education is involved in several claims and lawsuits incidental to its operations. In the opinion of the Administration and legal council, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District except for a settlement that has been accrued for under other liabilities. See Note 5.

Note 10. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2017

Note 11. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$1,924,736	\$ 232,135
Special Revenue Fund		1,349,360
Enterprise Fund	98,689	543,326
Fiduciary Funds	78,768	105,346
Capital Projects	<u>133,447</u>	<u>5,473</u>
Total	<u>\$2,235,640</u>	<u>\$2,235,640</u>

The purpose of these interfunds is for short-term borrowings.

Note 12. Fund Balance Appropriated

General Fund (Exhibit B-1) — Of the \$4,386,093 General Fund balance at June 30, 2017, \$588,581 has been restricted for Excess Surplus; \$3,146,536 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditures; \$313,313 has been restricted for Additional Designated for Subsequent Year's Expenditures and \$337,278 is unassigned.

Note 13. Deferred Compensation

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

ReliaStar Life Insurance
Oppenheimer Funds
Valic
Metropolitan Life Insurance

AXA Equitable Life Insurance
Lincoln Investment Planning
Midland

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 14. Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2017 is \$1,291,610.

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 no liability existed for compensated absences in the proprietary fund types.

Note 15. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2005, c.73 (S1701), the designation for Restricted Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$4,048,815 of which \$3,460,234 was appropriated in the 2017-2018 budget. The balance of \$588,581 will be appropriated in 2018-2019.

Note 16. Grant Anticipation Note

On May 29, 2013 the Willingboro Board of Education authorized the issuance of Promissory Notes to be called "Grant Anticipation Notes" in the amount not to exceed \$11,000,000. The proceeds of such notes shall be applied only to purposes of the school district's school facilities project for which the grant was awarded from New Jersey Schools Development Authority. The District received the note proceeds on July 11, 2013. On December 21, 2016 the District renewed the Note for \$1,200,000 with an interest rate of 1.17996% and matures December 21, 2017.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 18. 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 of 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.

For a local school district board of education or board of school estimate that has elected to raise 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.

The Township of Willingboro (Municipality) provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Municipality are for affordable housing and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

The Municipality recognized revenue of \$180,427 from the annual service charge in lieu of payment of taxes in 2016. The assessed value on these exemption properties amounted to \$9,568,700 which would have resulted in 2016 taxes billed in full of \$359,209. A portion of the \$178,782 abatement would have been allocated to the District.

Note 19. Deficit Unrestricted Net Position and Unassigned Fund Balance

The District has a deficit in unrestricted net position of \$23,029,118 as reported in the statement of net position (accrual basis). The District also has a deficit in unassigned fund balance of \$748,719 in the General Fund shown on Exhibit B-1. The deficits resulted from recording the June 2017 state aid payments in accordance with N.J.S.A. 18A: 22-44.2 which provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payments as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Also contributing to the deficit in net assets is the amount of compensated absences, \$1,291,610 and pension liability, \$26,657,948 both recorded on the accrual basis. While reflected as liabilities, the obligations will not be funded until a future date coincident with termination and/or retirement of services. Due to the resulting timing differences, the deficits do not alone indicate that the district is facing financial difficulties.

WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 19. Deficit Unrestricted Net Position and Unassigned Fund Balance (continued):

Pursuant to N.J.S.A.18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey stature and regulation nor is need of corrective action. The District deficit in the GAAP fund statements of \$748,719 is less than the last state aid payments.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II



C. Budgetary Comparison Schedules

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210-000	\$29,862,738		29,862,738	29,862,738	
Tuition	10-1300-000	300,000		300,000	208,462	(91,538)
Transportation Fees from LEAs	10-1420-000	50,000		50,000	172,530	122,530
Interest Earned	10-1510-000	1,000		1,000	19,367	18,367
Rentals Facility	10-1910-000	200,000		200,000	11,386	(188,614)
Miscellaneous Revenue	10-1990-000	400,000		400,000	333,517	(66,483)
Total Local Sources		30,813,738		30,813,738	30,608,000	(205,738)
State Sources:						
Transportation Aid	10-3120-000	470,570		470,570	470,570	
Extraordinary Aid	10-3131-000	400,000		400,000	777,867	
Categorical Special Education Aid	10-3132-000	2,391,334		2,391,334	2,391,334	
Equalization Aid	10-3176-000	34,387,336		34,387,336	34,387,336	
Categorical Security Aid	10-3177-000	1,086,670		1,086,670	1,086,670	
Other State Aid	10-3190-000	114,650		114,650	114,650	
Nonpublic Transportation Aid					40,932	40,932
Nonbudgeted:						
On-Behalf TPAF Pension Contribution					2,829,640	2,829,640
On-Behalf TPAF Post-Retirement Medical Contribution					2,357,733	2,357,733
On-Behalf TPAF Long Term Disability Insurance Contribution					4,389	4,389
Reimbursed TPAF Social Security Contributions					1,908,636	1,908,636
Total State Sources		38,850,560		38,850,560	46,369,757	7,141,330
Federal Sources:						
Medicaid Reimbursement	10-4200-000	159,199		159,199	33,176	(126,023)
Medicaid Reimbursement - ARRA	10-4210-000	9,702		9,702	9,702	
Total Federal Services		168,901		168,901	42,878	(126,023)
Total Revenues		69,833,199		69,833,199	77,020,635	6,809,569
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool Local Contribution - Regular	11-105-100-935					
Preschool Local Contribution - Inclusion	11-105-100-936					
Kindergarten	11-110-100-101	1,046,462	(74,000)	972,462	968,789	3,673
Grades 1 - 5	11-120-100-101	5,826,210	206,482	6,032,692	6,042,013	(9,321)
Grades 6 - 8	11-130-100-101	3,283,014	157,500	3,440,514	3,404,224	36,290
Grades 9 - 12	11-140-100-101	3,659,855	65,100	3,724,955	3,702,336	22,619
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	100,000	99,000	199,000	200,171	(1,171)
Purchased Professional/Educational Services	11-150-100-320	15,000	(5,600)	9,400	9,338	62
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	80,378	(21,300)	59,078	58,927	151
Purchased Professional/Educational Services	11-190-100-320	811,000	26,327	837,327	661,757	175,570

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Regular Programs - Undistributed Instruction (continued):						
Purchased Technical Services	11-190-100-340	225,177	(44,700)	180,477	155,551	24,926
General Supplies	11-190-100-610	666,729	62,583	729,312	724,365	4,947
Textbooks	11-190-100-640	176,887	(14,147)	162,740	162,278	462
Other Objects	11-190-100-891	37,964	(5,140)	32,824	31,107	1,717
Total Regular Programs - Instruction		15,928,676	452,105	16,380,781	16,120,856	259,925
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	2,727,133	(185,000)	2,542,133	2,447,566	94,567
Other Salaries for Instruction	11-204-100-106	174,798	(89,694)	85,104	77,186	7,918
General Supplies	11-204-100-610	5,000		5,000		5,000
Total Learning and/or Language Disabilities		2,906,931	(274,694)	2,632,237	2,524,752	107,485
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	440,754	40,100	480,854	480,616	238
Other Salaries for Instruction	11-209-100-106	44,890	1,700	46,590	17,406	29,184
General Supplies	11-209-100-610	5,000	(5,000)			
Total Behavioral Disabilities		490,644	36,800	527,444	498,022	29,422
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	527,582	116,000	643,582	643,409	173
Other Salaries for Instruction	11-212-100-106	90,323	(13,700)	76,623	76,582	41
General Supplies	11-212-100-610	5,000	(5,000)			
Total Multiple Handicapped		622,905	97,300	720,205	719,991	214
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101		133,800	133,800	111,460	22,340
Other Salaries for Instruction	11-213-100-106	98,658	39,000	137,658	129,975	7,683
General Supplies	11-213-100-610		250	250	225	25
Total Resource Room/Resource Center		98,658	173,050	271,708	241,660	30,048
Autism:						
Salaries of Teachers	11-214-100-101	253,931	21,200	275,131	264,810	10,321
Other Salaries for Instruction	11-214-100-106	91,115	21,200	112,315	99,950	12,365
General Supplies	11-214-100-610	5,000	(3,893)	1,107	1,021	86
Total Autism		350,046	38,507	388,553	365,781	22,772
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	384,129	(52,000)	332,129	332,674	(545)
Other Salaries for Instruction	11-216-100-106	84,808	(10,000)	74,808	73,171	1,637
General Supplies	11-216-100-610	2,500		2,500		2,500
Other Objects	11-216-100-800	2,500		2,500		2,500
Total Preschool Disabilities - Full-Time		473,937	(62,000)	411,937	405,845	6,092
Total Special Education - Instruction		4,943,121	8,963	4,952,084	4,756,051	196,033

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Bilingual Education:						
Salaries of Teachers	11-240-100-101	184,160	10,000	194,160	193,783	377
Total Bilingual Education		184,160	10,000	194,160	193,783	377
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	185,820	8,142	193,962	145,987	47,975
Purchased Services	11-401-100-500	1,500		1,500	1,065	435
Total School Sponsored Cocurricular Activities		187,320	8,142	195,462	147,052	48,410
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	444,694	50,200	494,894	494,075	819
Purchased Services	11-402-100-500	40,728	(6,002)	34,726	33,561	1,165
Supplies and Materials	11-402-100-600	35,550	7,945	43,495	42,525	970
Other Objects	11-402-100-800	13,290	4,557	17,847	17,847	
Total School Sponsored Athletics - Instruction		534,262	56,700	590,962	588,008	2,954
Alternative Education Programs - Instruction						
Salaries of Teachers	11-423-100-101	609,780	(58,550)	551,230	486,366	64,864
General Supplies	11-423-100-610	2,850		2,850	1,828	1,022
Total Alternative Education Programs - Instruction		612,630	(58,550)	554,080	488,194	65,886
Alternative Education Programs - Support Services						
Salaries	11-423-200-100	154,060	943	155,003	154,942	61
Total Alternative Education Programs - Support Services		154,060	943	155,003	154,942	61
Other Supplemental/At-Risk Programs - Instruction						
Salaries of Reading Specialists	11-424-100-179		1,150	1,150	1,142	8
Total Alternative Education Programs - Support Services			1,150	1,150	1,142	8
Total - Instruction		22,544,229	479,453	23,023,682	22,450,028	573,654
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's - State Regular	11-000-100-561	265,000	426,325	691,325	624,819	66,506
Tuition to Other LEA's - State Special	11-000-100-562	73,000	40,000	113,000	95,658	17,342
Tuition to County Vocational School Regular	11-000-100-563	2,178,280	(3,725)	2,174,555	2,159,920	14,635
Tuition to CSSD & Regional Day School	11-000-100-565	4,191,700	(1,239,404)	2,952,296	2,520,575	431,721
Tuition to Private Schools For The Handicapped - State	11-000-100-566	3,798,601	(273,900)	3,524,701	3,433,389	91,312
Tuition - State Facilities	11-000-100-568	316,173		316,173	316,173	
Tuition - Other	11-000-100-569	172,755	(26,100)	146,655	53,702	92,953
Total Undistributed Expenditures - Instruction		10,995,509	(1,076,804)	9,918,705	9,204,236	714,469

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Attendance & Social Work Services:						
Salaries	11-000-211-100	214,819	54,400	269,219	268,603	616
Salaries of Family Liaisons	11-000-211-173	64,937	500	65,437	65,410	27
Purchased Professional/ Technical Services	11-000-211-340	34,500	(2,700)	31,800	31,152	648
Other Purchased Services	11-000-211-580	2,500	(2,500)			
Supplies and Materials	11-000-211-610	1,000	1,394	2,394	2,082	312
Total Attendance & Social Work Services		317,756	51,094	368,850	367,247	1,603
Health Services:						
Salaries	11-000-213-100	591,846	9,200	601,046	571,452	29,594
Purchased Professional & Technical Services	11-000-213-300	116,500	39,511	156,011	155,165	846
Supplies and Materials	11-000-213-600	7,598	2,691	10,289	8,356	1,933
Total Health Services		715,944	51,402	767,346	734,973	32,373
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	542,555	43,572	586,127	584,599	1,528
Purchased Professional - Educational Services	11-000-216-320	25,000	51,300	76,300	76,002	298
Supplies and Materials	11-000-216-600	10,000	(6,072)	3,928	1,176	2,752
Total Other Support Services - Students - Related - Services		577,555	88,800	666,355	661,777	4,578
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	608,360	7,752	616,112	590,003	26,109
Purchased Professional - Educational Services	11-000-217-320	90,000	328,500	418,500	405,524	12,976
Total Other Support Services - Students - Extra Services		698,360	336,252	1,034,612	995,527	39,085
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	773,656	15,000	788,656	785,144	3,512
Salaries of Secretarial & Clerical Assistants	11-000-218-105	58,819	1,300	60,119	60,106	13
Other Purchased Professional & Technical Services	11-000-218-390	11,899	7,489	19,388	17,909	1,479
Supplies and Materials	11-000-218-600	12,226	(900)	11,326	9,590	1,736
Total Other Support Services - Students - Regular		856,600	22,889	879,489	872,749	6,740
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	1,547,927	(91,950)	1,455,977	1,248,026	207,951

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Special Services (continued):						
Salaries of Secretarial & Clerical						
Assistants	11-000-219-105	115,965	8,824	124,789	124,462	327
Unused Vacation Payment to Terminated/ Retired Staff	11-000-219-199	8,000	21,539	29,539	24,539	5,000
Unused Vacation Payment to Terminated/ Retired Staff	11-000-219-299		3,738	3,738	3,738	
Purchased Professional - Educational Services	11-000-219-320	182,900	(97,052)	85,848	70,672	15,176
Other Purchased Professional & Technical Services	11-000-219-390	9,083		9,083	6,357	2,726
Miscellaneous Purchased Services	11-000-219-592	5,000		5,000	997	4,003
Supplies and Materials	11-000-219-600	44,500	(3,005)	41,495	27,152	14,343
Total Other Support Services - Students - Special Services		1,913,375	(157,906)	1,755,469	1,505,943	249,526
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	293,493	70,700	364,193	320,304	43,889
Salaries of Other Professional Staff	11-000-221-104	25,000		25,000	3,318	21,682
Salaries of Secretarial & Clerical Assistants	11-000-221-105	59,844	(3,000)	56,844	51,610	5,234
Unused Vacation Payment to Terminated/ Retired Staff	11-000-221-199	10,000	(1,830)	8,170	8,170	
Unused Vacation Payment to Terminated/ Retired Staff	11-000-221-299		9,414	9,414	9,414	
Other Purchased Professional & Technical Services	11-000-221-390	2,539	500	3,039	1,695	1,344
Supplies and Materials	11-000-221-600	3,100		3,100	2,423	677
Total Improvement of Instruction Services/Other Support Services Instructional Staff		393,976	75,784	469,760	396,934	72,826
Educational Media Services/School Library:						
Salaries	11-000-222-100	699,766	15,757	715,523	677,233	38,290
Salaries of Technology	11-000-222-177	78,848	(63,845)	15,003	12,880	2,123
Purchased Professional & Technical Services	11-000-222-300	56,395		56,395	29,127	27,268
Supplies and Materials	11-000-222-600	11,845	(2,766)	9,079	7,004	2,075
Total Educational Media Services/School Library		846,854	(50,854)	796,000	726,244	69,756
Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	35,000		35,000	20,443	14,557
Other Purchased Services	11-000-223-500	10,000	(660)	9,340	5,393	3,947
Total Instructional Staff Training Services		45,000	(660)	44,340	25,836	18,504

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services General Administration:						
Salaries	11-000-230-100	488,866	23,307	512,173	515,722	(3,549)
Unused Vacation Payment to Terminated/ Retired Staff	11-000-230-199		16,203	16,203	16,203	
Legal Services	11-000-230-331	400,000	4,110	404,110	394,580	9,530
Audit Fees	11-000-230-332	55,000	80	55,080	55,080	
Other Purchased Professional Services	11-000-230-339	5,085	13,500	18,585	18,585	
Communications/Telephone	11-000-230-530	585,460	23,304	608,764	212,798	395,966
BOE Other Purchased Services	11-000-230-585	7,000	1,875	8,875	8,145	730
Other Purchased Services	11-000-230-590	11,314	2,100	13,414	6,812	6,602
Supplies and Materials	11-000-230-610	4,000	290	4,290	3,046	1,244
In-House Training	11-000-230-630	5,000	(300)	4,700	1,384	3,316
Judgment Against District	11-000-230-820	15,000	(1,614)	13,386	543,160	(529,774)
Miscellaneous Expenditures	11-000-230-890	5,500	2,327	7,827	6,981	846
BOE Membership Dues and Fees	11-000-230-895	28,000	(3)	27,997	27,135	862
Total Support Services General Administration		1,610,225	85,179	1,695,404	1,809,631	(114,227)
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	1,852,643	93,934	1,946,577	1,772,663	173,914
Salaries of Secretarial & Clerical Assistants	11-000-240-105	717,146	76,527	793,673	739,733	53,940
Supplies and Materials	11-000-240-600	22,050	25,991	48,041	35,257	12,784
Other Objects	11-000-240-800	22,555	500	23,055	19,472	3,583
Total Support Services School Administration		2,614,394	196,952	2,811,346	2,567,125	244,221
Central Services:						
Salaries	11-000-251-100	872,903	7,000	879,903	846,909	32,994
Unused Vacation Payment to Terminated/ Retired Staff	11-000-251-199	25,000	(1,000)	24,000	14,542	9,458
Purchased Professional Services	11-000-251-330	16,239	(278)	15,961	12,727	3,234
Purchased Technical Services	11-000-251-340	36,071	2,380	38,451	22,413	16,038
Miscellaneous Purchased Services	11-000-251-592	3,750	4,016	7,766	7,512	254
Supplies and Materials	11-000-251-610	79,450	(40,065)	39,385	19,705	19,680
Interest on Lease Purchase Agreements	11-000-251-832	3,084		3,084		3,084
Interest on Bond Anticipation Notes	11-000-251-836	162,000		162,000	152,000	10,000
Miscellaneous Expenditures	11-000-251-890	4,450	527	4,977	4,343	634
Total Central Services		1,202,947	(27,420)	1,175,527	1,080,151	95,376
Administrative Information Technology:						
Salaries	11-000-252-100	86,500	(5,400)	81,100	80,909	191
Purchased Technical Services	11-000-252-340	108,716	7,545	116,261	116,188	73
Other Purchased Services	11-000-252-500	2,500	(1,000)	1,500	1,438	62
Supplies and Materials	11-000-252-600	25,000	(15,421)	9,579	9,371	208
Total Administrative Information Technology		222,716	(14,276)	208,440	207,906	534

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	519,126	89,762	608,888	603,676	5,212
Unused Vacation Payment to Terminated/ Retired Staff	11-000-261-199	5,000		5,000		5,000
Cleaning, Repair & Maintenance Services	11-000-261-420	296,100	44,836	340,936	272,031	68,905
Lead Testing of Drinking Water	11-000-261-421		64,480	64,480	17,480	47,000
General Supplies	11-000-261-610	30,000	(17,486)	12,514	12,094	420
Total Allowable Maintenance for School Facilities		850,226	181,592	1,031,818	905,281	126,537
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	1,818,502	20,426	1,838,928	1,718,377	120,551
Salaries of Non Instructional Aides	11-000-262-107	179,053	17,638	196,691	182,717	13,974
Unused Vacation Payment to Terminated/ Retired Staff	11-000-262-199	10,000		10,000		10,000
Purchased Professional & Technical Services	11-000-262-300	175,000	18,900	193,900	192,742	1,158
Cleaning, Repair & Maintenance Services	11-000-262-420	113,000	(7,902)	105,098	86,176	18,922
Other Purchased Property Services	11-000-262-490	55,000	9,883	64,883	64,883	
Insurance	11-000-262-520	1,111,261	44,694	1,155,955	1,155,465	490
Miscellaneous Purchased Services	11-000-262-590	2,000	5,200	7,200	7,040	160
General Supplies	11-000-262-610	338,112	(130,104)	208,008	207,470	538
Energy (Natural Gas)	11-000-262-621	175,000	248,544	423,544	402,830	20,714
Energy (Electricity)	11-000-262-622	1,510,222	(561,470)	948,752	943,186	5,566
Other Objects	11-000-262-800	1,500		1,500	1,473	27
Total Other Operation & Maintenance of Plant		5,488,650	(334,191)	5,154,459	4,962,359	192,100
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	69,190	(3,000)	66,190	66,175	15
Unused Vacation Payment to Terminated/ Retired Staff	11-000-263-199	5,000	(5,000)			
Purchased Professional & Technical Services	11-000-263-300	208,000	(32,000)	176,000	156,928	19,072
General Supplies	11-000-263-610	18,000	(2,882)	15,118	15,115	3
Total Care & Upkeep of Grounds		300,190	(42,882)	257,308	238,218	19,090
Security:						
Salaries	11-000-266-100	665,111	105,700	770,811	745,462	25,349
Purchased Professional & Technical Services	11-000-266-300	165,233	64,725	229,958	228,047	1,911
General Supplies	11-000-266-610	31,979	(18,023)	13,956	11,513	2,443
Other Objects	11-000-266-800	100		100		100
Total Security		862,423	152,402	1,014,825	985,022	29,803

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) -						
Regular	11-000-270-160	124,010		124,010	123,027	983
Other Purchased Professional & Technical Services						
Aid in Lieu - Non Public Schools	11-000-270-390	6,650		6,650	4,450	2,200
Aid in Lieu - Charter Schools	11-000-270-503	209,840	(9,000)	200,840	200,232	608
Contracted Services (Between Home & School) - Vendors	11-000-270-504	17,680	(3,000)	14,680	14,144	536
Contracted Services (Other Than Between Home & School)-Vendors	11-000-270-511	871,460	(102,000)	769,460	769,140	320
Contracted Services (Special Education Students) - Vendors	11-000-270-512	187,000	31,000	218,000	217,917	83
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-514	1,966,526	43,490	2,010,016	2,009,668	348
Contracted Services (Special Education Students) - ESCs & CTSAs	11-000-270-515	45,000	(3,400)	41,600	41,556	44
General Supplies	11-000-270-518	190,000	(2,600)	187,400	187,000	400
	11-000-270-610	206,000	(30,000)	176,000	175,989	11
Total Student Transportation Services		3,824,166	(75,510)	3,748,656	3,743,123	5,533
Unallocated Benefits Employee Benefits:						
Social Security	11-000-291-220	750,000	650,000	871,000	869,796	1,204
TPAF Contributions - ERIP	11-000-291-232	1,300		1,300	926	374
Other Retirement Payments	11-000-291-241	930,000	(89,000)	841,000	837,853	3,147
Unemployment Compensation	11-000-291-250	60,000	23,768	83,768	82,813	955
Workers Compensation	11-000-291-260	38,000	(22,500)	15,500	3,611	11,889
Health Benefits	11-000-291-270	9,540,320	29,779	9,570,099	9,554,667	15,432
Tuition Reimbursement	11-000-291-280	59,000	833	59,833	833	59,000
Unused Vacation Payment to Terminated/ Retired Staff	11-000-291-299	300,000	(288,474)	11,526	10,855	671
Total Unallocated Benefits - Employee Benefits		11,678,620	(224,594)	11,454,026	11,361,354	92,672
Nonbudgeted:						
On-Behalf TPAF Pension Contributions					2,829,640	(2,829,640)
On-Behalf TPAF Post-Retirement Medical Contribution					2,357,733	(2,357,733)
On-Behalf TPAF Long Term Disability Insurance Contribution					4,389	(4,389)
Reimbursed TPAF Social Security Contributions					1,908,636	(1,908,636)
Total Undistributed Expenditures		46,015,486	(762,751)	45,252,735	50,452,034	(5,199,299)
Total Expenditures - Current Expense		68,559,715	(283,298)	68,276,417	72,902,062	(4,625,645)
Capital Outlay:						
Equipment:						
Preschool	12-105-100-730		8,500	8,500	8,373	127
Grades 1-5	12-120-100-730		7,526	7,526	7,526	
Central Services	12-000-251-730		4,000	4,000	3,795	205
Admin Information Technology	12-000-252-730	81,000	(31,500)	49,500		49,500
Required Maintenance School Facilities	12-000-261-730		10,410	10,410	10,410	

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Capital Outlay (continued):						
Custodial Equipment	12-000-262-730		18,000	18,000	17,782	218
SEC Equipment	12-000-266-730	34,673	22,881	57,554	31,987	25,567
		<hr/>				
Total Equipment		115,673	39,817	155,490	79,873	75,617
		<hr/>				
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450		362,500	362,500		362,500
Other Objects	12-000-400-800	71,937		71,937	71,937	
		<hr/>				
Total Acquisition & Construction Services		71,937	362,500	434,437	71,937	362,500
		<hr/>				
Total Capital Outlay		187,610	402,317	589,927	151,810	438,117
		<hr/>				
Total Expenditures		68,747,325	119,019	68,866,344	73,053,872	(4,187,528)
		<hr/>				
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures Before Other Financing Sources/(Uses)		1,085,874	(119,019)	966,855	3,966,763	2,622,041
		<hr/>				
Other Financing Sources/(Uses):						
Transfer from Other Funds	10-5200-000	374,500		374,500	374,500	
Snow Storm Reimbursement - FEMA					8,940	
Transfer to Charter School		(2,716,703)	33,000	(2,683,703)	(2,590,757)	(92,946)
		<hr/>				
Total Other Financing Sources/(Uses)		(2,342,203)	33,000	(2,309,203)	(2,207,317)	(92,946)
		<hr/>				
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(1,256,329)	(86,019)	(1,342,348)	1,759,446	2,529,095
Fund Balances, July 1		6,241,565		6,241,565	6,241,565	
		<hr/>				
Fund Balances, June 30		\$4,985,236	(86,019)	4,899,217	8,001,011	2,529,095
		<hr/>				

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	1,674,578
Additional Designated for Subsequent Year's Expenditures	313,698
Excess Surplus - Designated for Subsequent Year's Expenditures	3,146,536
Assigned Fund Balance:	
Year-end Encumbrances	728,331
Designated for Subsequent Year's Expenditures	
Unassigned Fund Balance	<u>2,137,868</u>
Subtotal	<u>8,001,011</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(3,614,918)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$4,386,093</u>

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
Local Sources		6,598	6,598	6,598	
State Sources	\$1,414,389	(154,420)	1,259,969	1,259,969	
Federal Sources	2,309,000	323,180	2,632,180	2,632,180	
Total Revenues	3,723,389	175,358	3,898,747	3,898,747	
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,462,036	(549,041)	912,995	912,995	
Other Salaries for Instruction	176,277	9,463	185,740	185,740	
Purchased Professional & Technical Services		34,453	34,453	34,453	
Other Purchased Services (400-500 Series)	5,000	3,636	8,636	8,636	
Tuition	1,283,000	44,013	1,327,013	1,327,013	
Textbooks	10,000	(1,870)	8,130	8,130	
General Supplies	187,000	134,294	321,294	321,294	
Other Objects	10,000	(4,774)	5,226	5,226	
Total Instruction	3,133,313	(329,826)	2,803,487	2,803,487	
Support Services:					
Salaries of Supervisors		440,006	440,006	440,006	
Salaries of Secretarial & Clerical Assistants	29,092	57,357	86,449	86,449	
Personal Services - Employee Benefits	136,424	(49,771)	86,653	86,653	
Purchased Educational Services	387,000	29,622	416,622	416,622	
Other Purchased Services					
Travel	4,700	13,728	18,428	18,428	
Other Purchased Professional Services		12,241	12,241	12,241	
Purchased Professional - Technical Services					
Supplies & Materials	2,000	11,111	13,111	13,111	
Miscellaneous Expenditures	860	20,890	21,750	21,750	
Total Support Services	560,076	535,184	1,095,260	1,095,260	
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	30,000	(30,000)			
Total Facilities Acquisition & Construction Services	30,000	(30,000)			
Total Expenditures	3,723,389	175,358	3,898,747	3,898,747	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART II

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$77,020,635	3,898,747
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,584,979	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,614,918)	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<hr/> <u>\$76,990,696</u>	<hr/> <u>3,898,747</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<hr/> <u>\$73,053,872</u>	<hr/> <u>3,898,747</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<hr/> <u>\$73,053,872</u>	<hr/> <u>3,898,747</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III



**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - PERS ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
State's Proportion of the Net Pension Liability (Asset)	0.069%	0.055%	0.044%	0.047%
State's Proportionate Share of the Net Pension Liability (Asset)	\$26,927,220	21,290,342	17,085,862	18,174,787
District's covered employee payroll	\$6,433,803	5,944,063	6,199,903	6,310,202
Plan Fiduciary Net Position as a Percentage of the Total Pension	40.14%	47.93%	52.08%	48.72%

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PERS
SCHEDULE OF CONTRIBUTIONS ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially Determined Contribution	\$807,700	815,395	752,312	716,531
Contributions in relation to the Actuarially Determined Contributions	807,700	815,395	752,312	716,531
	-	-	-	-
Covered-Employee Payroll	\$6,433,803	\$5,944,063	6,199,903	6,310,202
Contributions as a Percentage of Covered - Employee Payroll	12.55%	13.72%	12.13%	11.36%

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - TPAF ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
State's Proportion of the Net Pension Liability (Asset)	0.260%	0.265%	0.268%	0.276%
State's Proportionate Share of the Net Pension Liability (Asset)	204,925,532	167,534,573	144,317,866	139,984,346

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

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III



WILLINGBORO TOWNSHIP BOARD OF EDUCATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

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. Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. 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 plan actuary's modified MP-2014 projection scale. Post-retirement 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 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 a 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-200 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females).

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. 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.

Additional detailed information about the pension plans 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>

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OTHER SUPPLEMENTARY INFORMATION



D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund



**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NO CHILD LEFT BEHIND

	TITLE I	TITLE II A	TITLE III	TITLE III IMMIGRANT	I.D.E.A. PART B	I.D.E.A. PRESCHOOL
Revenues:						
Local Sources						
State Sources						
Federal Sources	\$808,137	178,720	5,261	2,576	1,561,227	66,180
Transfers from Operating Budget						
Total Revenues	\$808,137	178,720	5,261	2,576	1,561,227	66,180
Expenditures:						
Instruction:						
Salaries of Teachers	\$31,242				47,751	
Other Salaries for Instruction						
Purchased Professional Services	13,016				21,437	
Other Purchased Services						
Tuition					1,261,119	65,894
Textbooks						
General Supplies	282,186		4,974	2,475		
Other Objects						286
Total Instruction	326,444		4,974	2,475	1,330,307	66,180
Support Services:						
Salaries of Supervisors	233,486				204,520	
Salaries of Secretarial & Clerical Assistants		57,951				
Personal Services - Employee Benefits	55,820	4,433			26,400	
Purchased Educational Services	187,350	97,908	252	101		
Other Purchased Services						
Travel		18,428				
Other Purchased Professional Services						
Purchased Professional - Technical Services						
Supplies & Materials	5,037		35			
Miscellaneous Expenditures						
Total Support Services	481,693	178,720	287	101	230,920	
Total Expenditures	\$808,137	178,720	5,261	2,576	1,561,227	66,180

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	PERKINS GRANT	PRESCHOOL EDUCATION	NONPUBLIC			NURSING AID
			TEXTBOOK AID	COMPENSATORY EDUCATION AID	ESL AID	
Revenues:						
Local Sources						
State Sources		1,113,948	8,130	64,229	3,654	13,680
Federal Sources	\$10,079					
Total Revenues	\$10,079	1,113,948	8,130	64,229	3,654	13,680
Expenditures:						
Instruction:						
Salaries of Teachers		834,002				
Other Salaries for Instruction		185,740				
Purchased Professional Services						
Other Purchased Services		8,636				
Tuition						
Textbooks			8,130			
General Supplies	9,510	17,551				
Other Objects	569	4,371				
Total Instruction	10,079	1,050,300	8,130			
Support Services:						
Salaries of Supervisors						
Salaries of Secretarial & Clerical Assistants		28,498				
Personal Services - Employee Benefits						
Purchased Educational Services				64,229	3,654	13,680
Other Purchased Services						
Travel						
Other Purchased Professional Services		12,241				
Purchased Professional - Technical Services						
Supplies & Materials		1,159				
Miscellaneous Expenditures		21,750				
Total Support Services		63,648		64,229	3,654	13,680
Total Expenditures	\$10,079	1,113,948	8,130	64,229	3,654	13,680

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	NONPUBLIC					
	SUPPLEMENTAL INSTRUCTION AID	EXAMINATION & CLASSIFICATION AID	TECHNOLOGY	SPEECH AID	SECURITY	TARGET
Revenues:						
Local Sources						290
State Sources	12,006	16,032	3,387	18,023	6,880	
Federal Sources						
Transfers from Operating Budget						
Total Revenues	12,006	16,032	3,387	18,023	6,880	290
Expenditures:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional Services						
Other Purchased Services						
Tuition						
Textbooks						
General Supplies						290
Other Objects						
Total Instruction						290
Support Services:						
Salaries of Supervisors						
Salaries of Secretarial & Clerical Assistants						
Personal Services - Employee Benefits						
Purchased Educational Services	12,006	16,032	3,387	18,023		
Other Purchased Services						
Travel						
Other Purchased Professional Services						
Purchased Professional - Technical Services						
Supplies & Materials					6,880	
Miscellaneous Expenditures						
Total Support Services	12,006	16,032	3,387	18,023	6,880	
Total Expenditures	\$12,006	16,032	3,387	18,023	6,880	290

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	CHARTWELLS GRANT	STAFF HONORARY	RACE TO THE TOP	GOLD STAR GALA	TOTAL
Revenues:					
Local Sources	500	823	2,000	2,985	6,598
State Sources					1,259,969
Federal Sources					2,632,180
Tranfers from Operating Budget					
Total Revenues	500	823	2,000	2,985	3,898,747
Expenditures:					
Instruction:					
Salaries of Teachers					912,995
Other Salaries for Instruction					185,740
Purchased Professional Services					34,453
Other Purchased Services					8,636
Tuition					1,327,013
Textbooks					8,130
General Supplies	500	823		2,985	321,294
Other Objects					5,226
Total Instruction	500	823		2,985	2,803,487
Support Services:					
Salaries of Supervisors			2,000		440,006
Salaries of Secretarial & Clerical Assistants					86,449
Personal Services - Employee Benefits					86,653
Purchased Educational Services					416,622
Other Purchased Services					
Travel					18,428
Other Purchased Professional Services					12,241
Supplies & Materials					13,111
Miscellaneous Expenditures					21,750
Total Support Services			2,000		1,095,260
Total Expenditures	\$500	823	2,000	2,985	3,898,747

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AND AID OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

DISTRICT-WIDE TOTAL	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$868,258	834,002	34,256
Other Salaries for Instruction	185,777	185,740	37
Other Purchased Services	10,538	8,636	1,902
General Supplies	32,152	17,551	14,601
Other Objects	4,371	4,371	
Total Instruction	1,101,096	1,050,300	50,796
Support Services:			
Salaries of Secretarial & Clerical Assistants	29,092	28,498	594
Personal Services - Employee Benefits	9,202		9,202
Other Purchased Educational Services			
Other Purchased Professional Services	12,241	12,241	
Travel			
Supplies & Materials	3,000	1,159	1,841
Miscellaneous Expenditures	860		860
Total Support Services	54,395	41,898	12,497
Facilities Acquisition & Construction Services:			
Noninstructional Equipment	37,088	21,750	15,338
Total Facilities Acquisition & Construction Services	37,088	21,750	15,338
Total Expenditures	\$1,192,579	1,113,948	78,631

CALCULATION OF BUDGET & CARRYOVER

Total 2016-2017 Preschool Education Aid Allocation	\$1,123,812
Add: Actual Preschool Education Aid Carryover (June 30, 2016)	68,767
Total Preschool Education Aid Funds Available for 2015-2016 Budget	1,192,579
Less: 2016-2017 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	(1,192,579)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	
Add: June 30, 2017 Unexpended Preschool Education Aid Funds	78,631
Less: 2016-2017 Commissioner-approved Transfer to the General Fund	
2016-2017 Carryover - Preschool Education Aid Funds	\$78,631
2016-2017 Preschool Education Aid Funds Carryover Budgeted in 2017-2018	\$78,631

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F. Capital Projects Fund



**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NUMBER	PROJECT TITLE	ORIGINAL APPROPRIATIONS	REVISED AUTHORIZED COSTS	EXPENDITURES TO DATE		(OVER)/UNDER EXPENDED BALANCE
				PRIOR YEAR	CURRENT YEAR	
2004	Levitt Middle School	\$3,574,041	3,574,041	3,538,968		35,073
2004	Other Projects	52,646	52,646	23,341		29,305
2010	Levitt Middle School Renovations	8,080,182	9,206,961	9,203,319	3,500	142
Total		\$11,706,869	12,833,648	12,765,628	3,500	64,520

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues & Other Financing Sources:	
State Sources - SCC Grant	
Bond Proceeds & Transfers	-
	<hr/>
Total Revenues	-
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	
Construction Services	3,500
Instructional Equipment	-
Miscellaneous Expenditures	-
	<hr/>
Total Expenditures	3,500
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,500)
Fund Balance - Beginning	68,020
	<hr/>
Fund Balance - Ending	<u><u>\$64,520</u></u>

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
UPGRADES TO LEVITT MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$1,986,430		1,986,430	1,986,430
Bond Proceeds & Transfers	1,587,611		1,587,611	1,587,611
Total Revenues	3,574,041		3,574,041	3,574,041
Expenditures & Other Financing Uses:				
Salaries	36,092		36,092	36,092
Purchased Professional & Technical Services & Contingencies	859,589		859,589	890,187
Construction Services	2,623,147		2,623,147	2,627,622
Instructional Equipment	20,140		20,140	20,140
Total Expenditures	3,538,968		3,538,968	3,574,041
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$35,073		35,073	

ADDITIONAL PROJECT INFORMATION

Project Number	SP 5805-x01-03-1307
Grant Date	8/24/2004
Bond Authorization Date	8/1/1999
Bonds Authorized	\$1,587,611
Bonds Issued	\$1,587,611
Original Authorized Cost	\$3,574,041
Additional Authorized Cost	-
Revised Authorized Cost	\$3,574,041
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	99.02%
Original Target Completion Date	9/1/2006
Revised Target Completion Date	9/1/2007

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
OTHER CAPITAL PROJECTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant				
Bond Proceeds & Transfers	\$52,646		52,646	52,646
Total Revenues	52,646		52,646	52,646
Expenditures & Other Financing Uses:				
Salaries				
Purchased Professional & Technical Services & Contingencies				
Instructional Equipment				
Miscellaneous Expenditures	23,341		23,341	52,646
Total Expenditures	23,341		23,341	52,646
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$29,305	-	29,305	-

ADDITIONAL PROJECT INFORMATION

Project Number	
Grant Date	8/24/2004
Bond Authorization Date	8/1/1999
Bonds Authorized	\$52,646
Bonds Issued	\$52,646
Original Authorized Cost	\$52,646
Additional Authorized Cost	-
Revised Authorized Cost	\$52,646
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	44.34%
Original Target Completion Date	9/1/2006
Revised Target Completion Date	9/1/2007

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS TO LEVITT MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$4,815,977		4,815,977	4,815,977
Bond Proceeds & Transfers	4,390,984		4,390,984	4,390,984
Total Revenues	9,206,961	-	9,206,961	9,206,961
Expenditures & Other Financing Uses:				
Salaries				
Purchased Professional & Technical Services & Contingencies	1,155,618		1,155,618	1,155,760
Construction Services	8,047,701	3,500	8,051,201	8,051,201
Instructional Equipment				
Miscellaneous Expenditures				
Total Expenditures	9,203,319	3,500	9,206,819	9,206,961
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$3,642	(3,500)	142	-

ADDITIONAL PROJECT INFORMATION

Project Number	5805-040-09-1001
Grant Date	6/30/2010
Bond Authorization Date	10/21/2010
Bonds Authorized	\$4,390,984
Bonds Issued	\$4,390,984
Original Authorized Cost	\$8,080,182
Additional Authorized Cost	1,126,779
Revised Authorized Cost	\$9,206,961
Percentage Increase/(Decrease) Over Original Authorized Cost	-
Percentage Completion	100.00%
Original Target Completion Date	6/30/2013
Revised Target Completion Date	6/30/2017

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G. Proprietary Funds

Enterprise Funds



**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
SCHEDULE OF NET POSITION
AS OF JUNE 30, 2017**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	DAY CARE	
Current Assets:			
Cash & Cash Equivalents	\$504,002	811,138	1,315,140
Interfund Receivable	98,689		98,689
Due from Other Governments	163,817		163,817
Other Accounts Receivable	28,721	26,002	54,723
Inventories	208		208
Total Current Assets	795,437	837,140	1,632,577
Noncurrent assets:			
Furniture, Machinery & Equipment	851,757	27,114	878,871
Less: Accumulated Depreciation	716,576	27,114	743,690
Total Noncurrent Assets	135,181		135,181
Total Assets	930,618	837,140	1,767,758
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows		83,620	83,620
Total Deferred Outflows of Resources		83,620	83,620
LIABILITIES			
Accounts Payable	153,201	2,734	155,935
Interfund Payable	352,840	190,486	543,326
Pension Liability		269,272	269,272
Unearned Revenue		22,080	22,080
Total Liabilities	506,041	484,572	990,613
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows		10,316	10,316
Total Deferred Inflows of Resources		10,316	10,316
NET POSITION			
Investment in Capital Assets, Net of Related Debt	135,181		135,181
Unrestricted	289,396	425,872	715,268
Total Net Position	\$424,577	425,872	850,449

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	DAY CARE	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$280,996		280,996
Daily Sales - Non-Reimbursable Programs	\$212,897		212,897
Special Functions	26,339		26,339
Tuition & Fees		738,004	738,004
Total Operating Revenues	520,232	738,004	1,258,236
Operating Expenses:			
Cost of Sales - Reimbursable Programs	589,224		589,224
Cost of Sales - Non-Reimbursable Programs	63,869		63,869
Salaries	835,754	460,410	1,296,164
Management Fee	130,000		130,000
Employee Benefits	96,666	88,580	185,246
Cleaning, Repair & Maintenance Services	15,903		15,903
Travel Services	5,625	19,607	25,232
Purchased Services	81,624	11,770	93,394
Insurance	30,956		30,956
Supplies and Materials	214,187	11,828	226,015
Miscellaneous	19,424		19,424
Rent	270,000	104,500	374,500
Depreciation	36,453		36,453
Total Operating Expenses	2,389,685	696,695	3,086,380
Operating Income/(Loss)	(1,869,453)	41,309	(1,828,144)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	22,688		22,688
Federal Sources:			
National School Lunch Program	1,102,463		1,102,463
National After School Snack Program	77,832		77,832
National School Breakfast Program	333,351		333,351
Food Distribution Program	110,804		110,804
Total Nonoperating Revenues/(Expenses)	1,647,138		1,647,138
Income/(Loss) Before Contributions & Transfers	(222,315)	41,309	(181,006)
Total Net Position - Beginning	646,892	384,563	1,031,455
Total Net Position - Ending	\$424,577	425,872	850,449

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE	DAY CARE	
Cash Flows From Operating Activities:			
Receipts from Customers	\$1,091,202	740,814	1,832,016
Payments to Employees	(835,754)	(460,410)	(1,296,164)
Payments for Employee Benefits	(96,666)	(72,246)	(168,912)
Payments to Suppliers	(1,419,823)	(24,378)	(1,444,201)
Net Cash Provided/(Used) by Operating Activities	(1,261,041)	183,780	(1,077,261)
Cash Flows From Noncapital Financing Activities:			
State Sources	22,688		22,688
Federal Sources	1,513,646		1,513,646
Transfer from/(to) General Fund			
Net Cash Provided/(Used) by Noncapital Financing Activities	1,536,334		1,536,334
Cash Flows Capital & Related Financing Activities:			
Acquisition of Property, Plant & Equipment	(63,231)		(63,231)
Net Cash Provided by/(Used For) Capital Financing Activities	(63,231)		(63,231)
Net Increase/(Decrease) in Cash & Cash Equivalents	212,062	183,780	395,842
Balances - Beginning of Year	291,940	627,358	919,298
Balances - End of Year	<u>\$504,002</u>	<u>811,138</u>	<u>1,315,140</u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(\$1,869,453)	41,309	(1,828,144)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Depreciation & Net Amortization	36,453	16,334	52,787
Commodities Received	110,804		110,804
Increase/(Decrease) in Unearned Revenue		(2,869)	(2,869)
(Increase)/Decrease in Accounts Receivable, Net	135,825	5,679	141,504
(Increase)/Decrease in Inventories	1,286		1,286
Increase/(Decrease) in Interfund Payable	324,341	144,685	469,026
Increase/(Decrease) in Accounts Payable	(297)	(21,358)	(21,655)
Total Adjustments	608,412	142,471	750,883
Net Cash Provided/(Used) by Operating Activities	<u>(\$1,261,041)</u>	<u>183,780</u>	<u>(1,077,261)</u>

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Internal Service Fund

Not Applicable



H. Fiduciary Fund

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	SCHOLARSHIP FUND	UNEMPLOYMENT TRUST	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$40,003	452,173	119,518	602,792	1,214,486
Interfunds Receivable		78,768			78,768
Total Assets	40,003	530,941	119,518	602,792	1,293,254
LIABILITIES					
Payroll Deductions & Withholdings				497,446	497,446
Interfunds Payable				105,346	105,346
Due to Student Groups			119,518		119,518
Total Liabilities			119,518	602,792	722,310
NET POSITION					
Unreserved	40,003	530,941			570,944
Reserved for Workers' Compensation					
Total Net Position	\$40,003	530,941	-	-	570,944

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017**

	PRIVATE PURPOSE			TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	WORKERS COMPENSATION TRUST	
	Operating Revenues:			
Contributions	\$199,689			199,689
Interest on Investments	827	42	3,611	4,480
Total Operating Revenues	200,516	42	3,611	204,169
Operating Expenses:				
Scholarship Payments		724		724
Expenditures	300,341		3,611	303,952
Total Operating Expenses	300,341	724	3,611	304,676
Change in Net Position	(99,825)	(682)		(100,507)
Net Position Beginning of Year	630,766	40,685		671,451
Net Position End of Year	\$530,941	40,003		570,944

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
Memorial Middle School	\$12,482	31,985	31,566	12,901
Senior High School Account:				
Willingboro High School	43,714	122,181	135,785	30,110
General Organization Accounts:				
Gate Receipts	68,994	17,361	13,176	73,179
Twin Hills	2,246	1,082		3,328
Total	\$127,436	172,609	180,527	119,518

**PAYROLL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents	\$455,024	41,174,557	41,026,789	602,792
Total Assets	\$455,024	41,174,557	41,026,789	602,792
LIABILITIES				
Payroll, Deductions & Withholdings	\$429,359	18,805,879	18,737,792	497,446
Net Pay		22,272,017	22,272,017	
Interfunds Payable	25,665	96,661	16,980	105,346
Total Liabilities	\$455,024	41,174,557	41,026,789	602,792

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I. Long Term Debt



**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2017**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	BALANCE JUNE 30, 2016	RETIRED	AMOUNT OUTSTANDING
			DATE	AMOUNT				JUNE 30, 2017
School Renovations	10/21/10	\$27,210,000	3/1/18	975,000	3.500%	\$23,135,000	950,000	22,185,000
			3/1/19	1,000,000	3.500%			
			3/1/20	1,025,000	3.500%			
			3/1/21	1,025,000	3.500%			
			3/1/22	1,050,000	3.500%			
			3/1/23	1,050,000	4.000%			
			3/1/24	1,050,000	4.000%			
			3/1/25	1,075,000	4.000%			
			3/1/26	1,085,000	4.000%			
			3/1/27	1,150,000	4.000%			
			3/1/28	1,175,000	4.000%			
			3/1/29	1,200,000	4.000%			
			3/1/30	1,200,000	4.000%			
			3/1/31	1,225,000	4.125%			
			3/1/32	1,250,000	4.125%			
			3/1/33	1,300,000	4.250%			
			3/1/34	1,400,000	4.250%			
3/1/35	1,450,000	4.375%						
3/1/36	1,500,000	4.375%						
Total								
						\$23,135,000	950,000	22,185,000

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2017**

PURPOSE	DATE OF LEASE	TERM OF LEASE	PRINCIPAL	INTEREST RATE	BALANCE JUNE 30, 2016	RETIRE D	BALANCE JUNE 30, 2017
Textbooks	08/28/12	5 Years	500,000	1.414%	110,000	110,000	
Time Management System	5/18/13	5 Years	156,906	3.990%	61,195	32,824	28,371
			Total		<u>\$171,195</u>	<u>142,824</u>	<u>28,371</u>

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARATIVE SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES:					
Local Sources:					
Local Tax Levy	\$1,866,182		1,866,182	1,866,182	
Total Sources	1,866,182		1,866,182	1,866,182	
Total Revenues	1,866,182		1,866,182	1,866,182	
EXPENDITURES:					
Regular Debt Service:					
Interest	916,182		916,182	916,181	1
Redemption of Principal	950,000		950,000	950,000	
Total Regular Debt Service	1,866,182		1,866,182	1,866,181	1
Total Expenditures	1,866,182		1,866,182	1,866,181	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				1	(1)
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$2	-	2	3	(1)

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J. STATISTICAL SECTION

(Unaudited)

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$37,303,837	38,925,358	42,580,263	43,042,713	24,201,517	12,400,550	11,945,109	11,492,941	10,981,932	9,007,016
Restricted	5,239,338	4,521,274	2,183,129	8,843,115	31,045,537	44,872,535	42,502,220	1,580,009	851,191	4,388,516
Unrestricted	(23,029,118)	(22,831,262)	(23,434,144)	(3,176,483)	(3,287,552)	(2,698,210)	(2,728,235)	36,607,677	(3,910,226)	(8,464,081)
Total Governmental Activities Net Position	\$19,514,057	20,615,370	21,329,248	48,709,345	51,959,502	54,574,875	51,719,094	49,680,627	7,922,897	4,931,451
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$135,181	108,403	145,000	194,797	199,304	197,109	137,171	127,214	111,897	90,711
Unrestricted	715,268	923,052	986,863	1,044,797	777,766	586,500	526,227	516,232	848,655	804,834
Total Business-Type Activities Net Position	\$850,449	1,031,455	1,131,863	1,239,594	977,070	783,609	663,398	643,446	960,552	895,545
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$37,439,018	39,033,761	42,725,263	43,237,510	24,400,821	12,597,659	12,082,280	11,620,155	11,093,829	9,097,727
Restricted	5,239,338	4,521,274	2,183,129	8,843,115	31,045,537	44,872,535	42,502,220	1,580,009	851,191	4,388,516
Unrestricted	(22,313,850)	(21,908,210)	(22,447,281)	(2,131,686)	(2,509,786)	(2,111,710)	(2,202,008)	37,123,909	(3,061,571)	(7,659,247)
Total District Net Position	\$20,364,506	21,646,825	22,461,111	49,948,939	52,936,572	55,358,484	52,382,492	50,324,073	8,883,449	5,826,996

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$18,814,343	18,327,823	19,912,898	19,232,099	20,698,772	20,095,654	20,998,139	22,158,920	22,309,269	22,849,175
Special Education	4,756,051	4,740,486	4,769,972	4,899,892	4,927,192	4,717,371	5,121,749	5,438,672	5,814,030	5,584,671
Other Special Instruction		120,667	185,893	185,793	183,048	177,808	486,587	1,201,065	198,982	207,377
Other Instruction	1,573,121	1,703,235	1,707,254	1,900,528	1,743,985	1,655,802	650,807	901,302	620,008	623,191
Support Services & Undistributed Costs:										
Tuition	9,204,236	8,822,569	8,533,377	8,976,905	7,750,923	8,470,655	7,618,065	7,565,689	7,722,993	7,227,119
Attendance & Social Work Services	367,247	283,368	306,498	257,992	195,888	284,406	187,375	274,889	203,540	252,154
Health Services	734,973	829,075	722,870	660,860	653,572	528,349	591,926	662,385	653,772	577,790
Student & Instruction Related Services	5,131,256	5,489,180	5,133,102	5,124,745	5,527,971	4,538,191	5,176,799	5,252,117	5,984,964	5,811,001
Educational Media Services/School Library	726,244	715,930	707,546	740,030	725,045	646,765	652,585	652,260	714,556	690,974
Instructional Staff Training	422,770	444,889	342,053	423,091	766,033	742,191	861,943	1,516,250	540,327	342,672
School Administrative Services	1,809,631	1,851,657	1,800,316	1,794,520	1,380,671	1,252,085	1,548,734	548,526	2,714,186	1,607,447
Other Administrative Services	2,775,031	2,584,173	2,651,799	2,723,802	2,795,710	2,736,892	2,667,609	2,786,740	2,575,002	2,339,796
Central Services	1,080,151	1,021,087	1,056,532	851,409	1,028,021	978,575	934,498	1,096,668	1,222,775	1,209,468
Plant Operations & Maintenance	7,083,496	7,071,093	6,680,487	6,914,269	6,603,228	6,505,589	6,573,041	7,516,162	7,506,237	7,178,648
Pupil Transportation	3,743,123	3,600,282	3,299,721	2,935,174	2,695,351	2,632,333	2,869,326	2,600,105	2,767,891	2,717,453
Business & Other Support Services										
Unallocated Benefits	18,461,752	17,016,392	15,883,337	15,342,429	16,201,730	14,915,430	13,418,936	15,561,788	13,698,278	17,346,016
Special Schools							38,116	39,458	65,641	122,915
Transfer to Charter School	2,590,757	2,315,252	2,152,031	2,255,554	1,785,158	184,160	126,776	96,668	78,175	74,954
Scholarship Awarded	724	1,448	1,800	3,090	4,250	7,215	1,800	2,207	20,671	8,199
Nonbondable Capital Assets	95,311	106,609	85,291	25,569	6,961	42,581	48,873			
Cancellation of Grant Receivable			3,501,963							
Interest on Long-Term Debt	864,887	956,156	994,150	994,798	1,024,961	1,050,495	691,034	56,735	108,022	163,914
Increase in Pension Liability	1,621,272	519,646								
Increase in Other Liability			2,414,016							
Increase/(Reduction) of Compensated Absences Liability		236,477	587,311		259,402	(615,793)	256,659	(55,885)	(363,794)	557,911
Loss on Disposal of Fixed Assets							191,446			357,617
Unallocated Depreciation	3,866,395	3,575,476	4,066,685	3,518,186	2,664,512	1,201,544	1,257,654	1,215,858	1,174,218	1,151,273
Total Governmental Activities Expenses	85,722,771	82,332,970	87,496,902	79,760,735	79,622,384	72,748,298	72,970,477	77,088,579	76,329,743	79,001,736

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-Type Activities:										
Food Service	2,389,685	2,054,790	1,872,408	1,852,816	1,889,154	1,948,729	1,851,311	1,856,766	1,752,535	1,678,631
Day Care	696,695	883,586	835,483	637,742	602,796	635,162	729,033	1,001,522	857,294	689,696
Total Business-Type Activities Expense	3,086,380	2,938,376	2,707,891	2,490,558	2,491,950	2,583,891	2,580,344	2,858,288	2,609,829	2,368,327
Total District Expenses	\$88,809,151	85,271,346	90,204,793	82,251,293	82,114,334	75,332,189	75,550,821	79,946,867	78,939,572	81,370,063
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$11,005,743	8,111,392	9,438,459	9,698,718	11,626,744	9,201,768	10,565,238	9,869,771	9,310,078	17,018,977
Total Governmental Activities Program Revenues	11,005,743	8,111,392	9,438,459	9,698,718	11,626,744	9,201,768	10,565,238	9,869,771	9,310,078	17,018,977
Business-Type Activities:										
Charges for Services:										
Food Service	520,232	514,140	486,827	488,056	504,137	523,662	604,756	627,010	738,210	728,169
Day Care	738,004	768,968	753,344	735,848	730,143	787,170	802,192	795,896	841,609	826,267
Operating Grants & Contributions	1,647,138	1,554,860	1,535,995	1,528,816	1,451,006	1,393,254	1,192,841	1,115,823	1,089,163	976,674
Total Business Type Activities Program Revenues	2,905,374	2,837,968	2,776,166	2,752,720	2,685,286	2,704,086	2,599,789	2,538,729	2,668,982	2,531,110
Total District Program Revenues	\$13,911,117	10,949,360	12,214,625	12,451,438	14,312,030	11,905,854	13,165,027	12,408,500	11,979,060	19,550,087
Net (Expense)/Revenue:										
Governmental Activities	(\$74,717,028)	(74,221,578)	(78,058,443)	(70,062,017)	(67,995,640)	(63,546,530)	(62,405,239)	(67,218,808)	(67,019,665)	(61,982,759)
Business-Type Activities	(181,006)	(100,408)	68,275	262,162	193,336	120,195	19,445	(319,559)	59,153	162,783
Total District-Wide Net Expense	(\$74,898,034)	(74,321,986)	(77,990,168)	(69,799,855)	(67,802,304)	(63,426,335)	(62,385,794)	(67,538,367)	(66,960,512)	(61,819,976)

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$29,862,738	28,168,680	26,297,476	25,290,271	24,794,383	24,794,383	26,257,482	26,217,183	27,735,237	27,870,712
Taxes Levied for Debt Service	1,866,182	1,847,682	1,818,652	1,805,432	1,807,556	2,135,271	705,385	590,084	564,415	604,345
Unrestricted Grants & Contributions	39,275,700	41,105,434	39,067,201	38,720,192	38,040,478	38,806,675	36,894,851	80,299,314	39,761,209	35,539,616
Tuition	208,462	567,078	168,510	286,014	221,579	255,484	259,103	650,655	929,453	431,570
Miscellaneous Income	545,782	855,465	752,008	625,141	516,271	410,498	326,885	1,219,302	1,020,796	802,520
Transfers	374,500	400,000	8,778							
Decrease in Pension Liability			26,862							
Decrease in Other Liability	675,000	389,017								
Decrease in Compensated Absences Liability	807,351			84,810						
Unallocated Loss on Revaluation of Fixed Assets & Related Depreciation										
Total Governmental Activities	73,615,715	73,333,356	68,139,487	66,811,860	65,380,267	66,402,311	64,443,706	108,976,538	70,011,110	65,248,763
Business-Type Activities:										
Investment Earnings			369	362	125	16	507	2,453	5,854	21,180
Transfers										
Total Business-Type Activities			369	362	125	16	507	2,453	5,854	21,180
Total District-Wide	\$73,615,715	73,333,356	68,139,856	66,812,222	65,380,392	66,402,327	64,444,213	108,978,991	70,016,964	65,269,943
Change in Net Position:										
Governmental Activities	(\$1,101,313)	(888,222)	(9,918,956)	(3,250,157)	(2,615,373)	2,855,781	2,038,467	41,757,730	2,991,445	3,266,005
Business-Type Activities	(181,006)	(100,408)	68,644	262,524	193,461	120,211	19,952	(317,106)	65,007	183,963
Total District	(\$1,282,319)	(988,630)	(9,850,312)	(2,987,633)	(2,421,912)	2,975,992	2,058,419	41,440,624	3,056,452	3,449,968

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Reserved	\$5,134,812	4,412,567	3,104,351	3,695,320	4,848,410	5,651,387	3,321,588	1,837,465	3,552,792	5,489,347
Unreserved	(748,719)	(1,755,981)	(1,729,155)	(1,573,818)	(1,589,444)	(1,272,801)	(1,032,750)	(1,921,954)	(1,640,058)	(458,182)
Total General Fund	\$4,386,093	2,656,586	1,375,196	2,121,502	3,258,966	4,378,586	2,288,838	(84,489)	1,912,734	5,031,165
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund						(139,778)			(105,016)	(210,871)
Capital Projects Fund	64,520	68,020	6,196,885	13,758,372	28,168,838	49,449,681	62,802,621	40,142,835	75,859	554,244
Debt Service Fund	3	2	1	2	2	2	2	2	2	1
Permanent Fund	40,003	40,685	42,096	43,532	46,312	50,482	57,596	56,609	58,575	63,320
Total All Other Governmental Funds	\$104,526	108,707	6,238,982	13,801,906	28,215,152	49,360,387	62,860,219	40,199,446	29,420	406,694

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Tax Levy	\$31,728,920	30,016,362	28,116,128	27,095,703	26,601,939	26,929,654	26,962,867	26,807,267	28,299,652	28,475,057
Tuition Charges	208,462	567,078	168,510	286,014	221,579	255,484	259,103	650,655	929,453	431,570
Miscellaneous	543,440	873,356	755,381	633,813	539,231	415,900	341,603	487,309	1,024,535	804,149
State Sources	47,599,787	47,020,944	46,055,646	45,627,220	45,611,272	44,097,328	43,283,806	80,066,616	45,612,729	49,562,110
Federal Sources	2,675,058	2,177,991	2,446,641	2,783,018	4,053,882	3,905,713	4,161,565	10,094,364	3,454,819	2,994,854
Total Revenue	82,755,667	80,655,731	77,542,306	76,425,768	77,027,903	75,604,079	75,008,944	118,106,211	79,321,188	82,267,740
Expenditures:										
Instruction	25,253,515	24,997,211	26,676,017	26,218,312	27,552,997	26,646,635	27,257,282	29,699,959	28,942,289	29,264,414
Undistributed Expenditures	51,547,294	49,761,235	47,147,945	46,774,348	46,324,143	44,231,461	43,539,391	48,983,595	50,956,707	48,194,744
Special Schools							38,116	39,458	65,641	122,915
Capital Outlay	155,310	6,981,789	4,553,127	14,919,742	22,318,654	13,809,421	4,801,533	887,483	2,225,216	2,043,907
Debt Service	1,866,181	1,847,681	1,827,431	1,805,432	1,807,556	2,135,271	1,228,500	1,182,438	1,131,000	1,211,013
Expendable Trusts	724	1,448	1,800	3,090	4,250	7,215	1,800	2,207	20,671	8,199
Total Expenditures	78,823,024	83,589,364	80,206,320	89,720,924	98,007,600	86,830,003	76,866,622	80,795,140	83,341,524	80,845,192
Excess (Deficiency) of Revenues Over/(Under) Expenditures	3,932,643	(2,933,633)	(2,664,014)	(13,295,156)	(20,979,697)	(11,225,924)	(1,857,678)	37,311,071	(4,020,336)	1,422,548
Other Financing Sources/(Uses):										
Cancellation of Prior Year Accounts Receivable			(3,501,963)				(191,446)			
Proceeds from Capital Leases								218,302	602,806	344,887
Bond Proceeds					500,000		27,210,000			
Snow Storm Reimbursement - FEMA	8,940									
Transfers in	374,500	400,000	8778					740,098		
Transfers Out	(2,590,757)	(2,315,252)	(2,152,031)	(2,255,554)	(1,785,158)	(184,160)	(126,776)	(96,668)	(78,175)	(74,954)
Total Other Financing Sources/(Uses)	(2,207,317)	(1,915,252)	(5,645,216)	(2,255,554)	(1,285,158)	(184,160)	26,891,778	861,732	524,631	269,933
Net Change in Fund Balances	\$1,725,326	(4,848,885)	(8,309,230)	(15,550,710)	(22,264,855)	(11,410,084)	25,034,100	38,172,803	(3,495,705)	1,692,481
Debt Service as a Percentage of Noncapital Expenditures	2.4%	2.5%	2.5%	2.5%	2.4%	3.0%	1.7%	1.5%	1.4%	1.6%

Source: District records

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	TUITION	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2017	\$208,462	19,367	517,433	745,262
2016	567,078	13,585	841,843	1,422,506
2015	168,510	1,099	750,545	920,154
2014	286,014	448	624,383	910,845
2013	221,579	7,657	529,426	758,662
2012	255,484	21,037	389,360	665,881
2011	259,103	38,303	285,795	583,201
2010	650,655	17,853	460,918	1,129,426
2009	929,453	88,420	914,985	1,932,858
2008	431,570	358,938	434,026	1,224,534

Source: District records

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENTS	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2017	\$10,998,300	1,695,275,900	393,400	6,000	131,693,800	9,583,400	24,879,100	1,872,829,900	100	1,872,830,000	1.726	1,763,440,845
2016	13,364,000	1,702,680,000	393,400	6,000	124,683,600	9,583,400	19,766,000	1,870,476,400	100	1,870,476,500	1.697	1,754,858,163
2015	13,330,300	1,705,521,000	393,400	6,000	132,203,100	10,763,000	15,253,000	1,877,469,800	100	1,877,469,900	1.599	1,877,469,900
2014	14,347,100	1,709,403,800	303,400	1,600	124,962,100	10,763,000	15,253,000	1,875,034,000	2,704,674	1,877,738,674	1.435	1,794,270,588
2013	14,520,400	1,714,630,100	303,400	7,700	130,035,040	10,763,000	15,253,000	1,885,512,640	2,404,764	1,887,917,404	1.435	1,856,932,301
2012	14,856,300	1,721,819,400	303,400	7,700	133,318,440	10,763,000	13,897,900	1,894,966,140	4,811,566	1,899,777,706	1.408	1,946,351,716
2011	15,190,100	1,730,962,800	422,400	7,700	136,527,240	11,830,900	13,043,900	1,907,985,040	4,798,164	1,912,783,204	2.528	2,155,725,577
2010	16,578,700	1,738,859,600	428,100	2,000	149,685,420	11,901,600	13,929,000	1,931,384,420	5,657,093	1,937,041,513	2.559	1,988,829,412
2009	6,390,400	1,041,906,650	146,000	2,000	61,605,620	6,521,000	2,894,300	1,116,571,670	2,879,143	1,119,450,813	2.690	1,770,640,583
2008	6,304,800	1,040,595,950	146,000	2,000	61,427,800	6,759,000	1,752,400	1,116,987,950	2,628,588	1,119,616,538	2.528	2,155,725,577

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

a. Tax rates are per \$100

* Revaluation

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF WILLINGBORO	BURLINGTON COUNTY	
2017	1.726	1.726	1.713	0.353	3.792
2016	1.697	1.697	1.705	0.352	3.754
2015	1.599	1.599	1.665	0.361	3.625
2014	1.498	1.498	1.619	0.334	3.451
2013	1.435	1.435	1.560	0.343	3.338
2012	1.400	1.400	1.497	0.354	3.251
2011	1.408	1.408	1.469	0.367	3.244
*2010	1.392	1.392	1.416	0.393	3.201
2009	2.388	2.388	2.198	0.678	5.264
2008	2.528	2.528	2.058	0.691	5.277

Source: Municipal Tax Collector

* Revaluation 2010

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	2017		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Willingboro Square, LLC	\$15,253,000	1	0.80%
Radwell Real Estate Willingboro LLC	11,500,000	2	0.61%
RFB Properties, NJ 2	9,100,000	3	0.48%
American Stores Company, LLC	7,800,000	4	0.41%
Willingboro Equities, LLC	5,750,000	5	0.30%
Willingboro Associates, LLC #1	4,075,000	6	0.21%
3109 Grant Avenue Associates	4,000,000	7	0.21%
MH LTAH NJ LTD	3,800,000	8	0.20%
Willingboro Associates, LLC #2	3,021,600	9	0.16%
ARHC Capital Healthcare c/o Altus Grp.	2,763,100	10	0.15%
Total	\$67,062,700		3.53%

TAXPAYER	2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Leonar Northeast Partners	\$4,775,000	1	0.44%
American Stores Realty Co.	4,072,200	2	0.38%
Willingboro Village Mall, Limited	2,783,000	3	0.26%
California Gold LTD	2,425,000	4	0.23%
Willingboro Wire Corporation	1,932,000	5	0.18%
Levittown Times Corporation	1,842,000	6	0.17%
New Jersey Bell	1,232,000	7	0.11%
Burwill Association	983,000	8	0.09%
Rancocas Medical Center	983,000	9	0.09%
Freedom Properties	827,400	10	0.08%
Total	\$21,854,600		2.03%

Source: Municipal Tax Assessor

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2017	\$29,862,738	29,862,738	100.00%
2016	28,168,680	28,168,680	100.00%
2015	26,297,476	26,297,476	100.00%
2014	25,290,271	25,290,271	100.00%
2013	24,794,383	24,794,383	100.00%
2012	24,794,383	24,794,383	100.00%
2011	26,962,867	26,962,867	100.00%
2010	26,807,267	26,807,267	100.00%
2009	28,299,652	28,299,652	100.00%
2008	28,475,057	28,475,057	100.00%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT	
2017	\$22,185,000	28,371	22,213,371	N/A
2016	23,135,000	171,195	23,306,195	N/A
2015	24,035,000	307,735	24,342,735	440.78
2014	24,885,000	438,042	25,323,042	471.15
2013	25,685,000	500,000	26,185,000	505.65
2012	26,460,000	234,000	26,694,000	519.44
2011	27,210,000	376,000	27,586,000	552.22
2010	1,200,000	511,000	1,711,000	35.61
2009	2,300,000	791,911	3,091,911	64.89
2008	3,300,000	729,743	4,029,743	84.28

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GENERAL BONDED DEBT OUTSTANDING</u>		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016	\$22,185,000	22,185,000	1.18%	N/A
2015	23,135,000	23,135,000	1.24%	N/A
2014	24,035,000	24,035,000	1.28%	435.20
2013	24,885,000	24,885,000	1.33%	463.00
2012	25,685,000	25,685,000	1.36%	495.99
2011	26,460,000	26,460,000	1.39%	514.89
2010	27,210,000	27,210,000	1.42%	544.69
2009	1,200,000	1,200,000	0.06%	24.98
2008	2,300,000	2,300,000	0.21%	48.27
2007	3,300,000	3,300,000	0.29%	69.01

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Willingboro	\$49,472,199	100.000%	\$49,472,199
Burlington County	749,746,455	3.943%	<u>29,562,503</u>
Subtotal, Overlapping Debt			79,034,702
Willingboro Township Board of Education			<u>22,185,000</u>
Total Direct & Overlapping Debt			<u><u>\$101,219,702</u></u>

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$70,343,481	70,885,431	72,266,310	74,854,360	81,639,549	86,543,093	86,195,938	83,322,599	77,789,102	77,789,102
Total Net Debt Applicable to Limit	22,185,000	23,135,000	24,035,000	24,885,000	25,685,000	27,210,000	1,200,000	2,300,000	3,300,000	4,333,000
Legal Debt Margin	\$48,158,481	47,750,431	48,231,310	49,969,360	55,954,549	59,333,093	84,995,938	81,022,599	74,489,102	73,456,102
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	31.54%	32.64%	33.26%	33.24%	31.46%	31.44%	1.39%	2.76%	4.24%	5.57%

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized Valuation Basis	
	2016	\$1,752,859,526
	2015	1,753,333,769
	2014	<u>1,769,567,761</u>
		<u>\$5,275,761,056</u>
Average Equalized Valuation of Taxable Property		<u>\$1,758,587,019</u>
Debt Limit (4 % of Average Equalization Value)		\$70,343,481
Net Bonded School Debt		<u>22,185,000</u>
Legal Debt Margin		<u>\$48,158,481</u>

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	BURLINGTON	UNEMPLOYMENT
		COUNTY	
		PER CAPITA	RATE
		INCOME	
2016	31,713	N/A	6.20%
2015	31,270	55,227	7.40%
2014	31,400	53,747	9.00%
2013	31,451	51,785	11.20%
2012	31,613	51,390	12.30%
2011	31,623	49,955	9.10%
2010	31,647	48,047	10.90%
2009	36,284	47,649	10.50%
2008	36,415	47,816	7.40%
2007	36,691	46,188	5.70%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

EXHIBIT J-15 NOT AVAILABLE

EXHIBIT J-16 NOT AVAILABLE

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2017	3,577	\$76,800,809	21,471	-8.21%	299	18.9/1	3,638	3,394	-2.70%	-2.19%
2016	3,196	74,758,446	23,391	40.30%	319	10/1	3,664	3,429	-6.10%	-4.88%
2015	4,428	73,823,962	16,672	-12.91%	358	12/1	3,739	3,470	-11.98%	-16.65%
2014	3,813	72,992,660	19,143	12.33%	308	12.4/1	3,902	3,605	-8.15%	-13.40%
2013	4,335	73,877,140	17,042	-1.32%	391	9.4/1	4,248	4,163	8.45%	8.44%
2012	4,104	70,878,096	17,270	8.20%	420	9.5/1	3,917	3,839	-9.93%	-9.92%
2011	4,438	70,834,789	15,961	-7.18%	408	10.8/1	4,349	4,262	-3.05%	-3.07%
2010	4,578	78,723,012	17,196	0.66%	466	9.8/1	4,486	4,397	-2.20%	-2.20%
2009	4,681	79,964,637	17,083	26.70%	428	10.9/1	4,587	4,496	-1.55%	-1.53%
2008	5,754	77,582,073	13,483	-7.85%	452	10.5/1	4,659	4,566	-15.18%	-10.82%

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).

EXHIBIT J-18 NOT AVAILABLE

EXHIBIT J-19

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

SCHOOL FACILITIES	PROJECT #	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Willingboro High School	N/A	\$241,111	217,248	220,404	226,216	217,404	\$258,094	215,492	317,431	308,353	269,757
Memorial Junior High School	N/A	168,421	151,752	153,958	158,017	151,862	180,284	150,526	221,733	215,392	188,432
Sydney W. Bookbinder Elementary School	N/A		56,067								
Garfield Park East Elementary School	N/A	54,544	49,146	48,988	50,279	48,321	58,386	47,896	70,553	68,535	59,957
Hawthorne Park Elementary School	N/A	62,226	56,067	42,756	43,883	42,174	66,609	41,803	61,578	59,817	52,330
WR James Elementary School	N/A	62,226	56,067	57,720	59,241	56,934	66,609	56,433	83,129	80,752	70,644
Joseph A. McGinley Elementary School	N/A		56,067								
Twin Hills Elementary School	N/A	54,345	48,966	55,192	56,647	54,441	58,173	53,962	79,489	77,216	67,551
Country Club Administrative Building	N/A	40,871	36,826	35,648	36,588	35,163	43,750	34,854	51,342	49,873	43,631
District Warehouse & Garage	N/A	24,029	17,180	48,414	49,691	47,755	20,410	47,335	69,727	67,733	59,255
J. Cressewill Stuart Elementary	N/A	65,101	58,658	58,421	59,961	57,625	69,686	57,119	84,139	81,732	71,502
Levitt Middle School	N/A	132,407		92,139	94,568	90,885	107,895	90,086	132,700	128,906	112,771
Grand Total		\$905,281	804,044	813,640	835,091	802,564	929,896	795,506	1,171,821	1,138,309	995,830

Source: District records

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2017**

	COVERAGE	DEDUCTIBLE
Property: Real & Personal Property	\$500,000,000	2,500
Increased Cost of Construction	25,000,000	Included
Earthquake	25,000,000	Included
Flood	10,000,000	100,000
Extra Expense	50,000,000	Included
Valuable Papers	250,000,000	Included
Loss of Rents	500,000	N/A
Business Income/Tuition	N/A	
Electronic Data Processing	N/A	
 Arson Reward & Fire Department Surcharge	 10,000	 Included
 Boiler & Machinery: Equipment Breakdown	 100,000,000	 2,500
Blanket Faithful Performance	500,000	1,000
Money & Securities	50,000	1,000
Depositors' Forgery	50,000	1,000
 Bonds:		
Board Secretary	400,000	
Treasurer	400,000	

Source: District records.

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SINGLE AUDIT SECTION



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLAINE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
Willingboro Township School District
County of Burlington
Willingboro, New Jersey 08046

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, 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 Willingboro Township School District, in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Willingboro Township School District's basic financial statements, and have issued my report thereon dated November 21, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Willingboro Township School District Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Willingboro Township School District Board of Education's internal control. Accordingly, I do not express an opinion on the effectiveness of the Willingboro Township School District 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant 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.

My consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I considered to be material weaknesses. We did identify certain deficiencies in internal control, described

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in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies as items 2017-01, 2017-02, 2017-03 and 2017-04.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Willingboro Township School District Board of Education's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2017-01, 2017-02, 2017-03 and 2017-04.

Willingboro Township School District Board of Education's Response to Finding

Willingboro Township School District Board of Education's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Willingboro Township School District Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

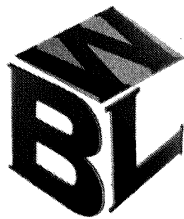
The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance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

Respectfully submitted,



Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700

Cinnaminson, New Jersey
November 21, 2017



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

EXHIBIT K-2

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

The Honorable President and
Members of the Board of Education
Willingboro Township School District
County of Burlington
Willingboro, New Jersey 08046

Report on Compliance for Each Major Federal and State Program

I have audited the Board of Education of the Willingboro Township School District, in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Willingboro Township School District's major federal or state programs for the year ended June 30, 2017. Willingboro Township School District's major federal or state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, federal and state statutes, and the terms and conditions of its federal and financial assistance applicable to its federal and state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Willingboro Township School District's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 the *New Jersey State Aid/Grant Compliance Supplement* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey OMB Circular 15-08 require that I 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Willingboro Township School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the Willingboro Township School District's compliance.

Basis for Qualified Opinion on Equalization Aid

As described in the accompanying schedule of findings and questioned costs, the Board of Education of the Willingboro Township School District, in the County of Burlington, State of New Jersey, did not comply with requirements regarding the Equalization Aid state program and associated finding numbers matched to the types of compliance requirements as described in finding numbers 2017-01 and 2017-02 for Special Test and Provisions and 2017-04 for Eligibility. Compliance with such requirements is necessary, in my opinion, for the Board of Education of the Willingboro Township School District to comply with the requirements applicable to that program.

Qualified Opinion on Equalization Aid

In my opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Board of Education of the Willingboro Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Equalization Aid state program for the year ended June 30, 2017.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In my opinion, the Willingboro Township School District, in the County of Burlington, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other Matters

The results of my auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-04. My opinion on each major federal and state program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Management of the Board of Education of the Willingboro Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance I considered Willingboro Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purposes of expressing my opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB's Circular 5-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Willingboro Township School District's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be material weakness and significant deficiencies.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-01, 2017-02, 2017-03 and 2017-04 to be significant deficiencies.

The Willingboro Township School District's response to the internal control over compliance findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The Willingboro Township School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

I have audited the financial statements of the Willingboro Township School District as of and for the year ended June 30, 2017, and have issued my report thereon dated November 21, 2017, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brent W. Lee". The signature is written in a cursive style with a large initial "B" and "L".

Brent W. Lee
Certified Public Accountant
Public School Accountant No. 700
Brent W. Lee & Co., LLC

Cinnaminson, New Jersey
November 21, 2017

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE AT JUNE 30, 2017	DUE TO GRANTOR JUNE 30, 2017
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:														
Food Distribution Program	10.555	171NJ304N1099	N/A	\$110,804	7/1/16-6/30/17			110,804	(110,804)					
After School Snack Program	10.555	16161NJ304N1099	N/A	47,899	7/1/15-6/30/16	(\$16,090)		16,090						
After School Snack Program	10.555	171NJ304N1099	N/A	77,832	7/1/16-6/30/17			62,607	(77,832)		(15,225)			
School Breakfast Program	10.553	16161NJ304N1099	N/A	307,817	7/1/15-6/30/16	(85,411)		85,411						
School Breakfast Program	10.553	171NJ304N1099	N/A	333,351	7/1/16-6/30/17			290,869	(333,351)		(42,482)			
National School Lunch HHFKA - PB Lunch Program	10.592	16161NJ304N1099	N/A											
National School Lunch HHFKA - PB Lunch Program	10.592	171NJ304N1099	N/A	25,729	7/1/15-6/30/16	(5,334)		5,334						
National School Lunch Program - PB Lunch Program	10.555	16161NJ304N1099	N/A	1,026,572	7/1/15-6/30/16	(222,268)		222,268						
National School Lunch Program	10.555	171NJ304N1099	N/A	1,102,463	7/1/16-6/30/17			1,000,554	(1,102,463)		(101,909)			
Total U.S. Department of Agriculture						(329,103)		1,818,042	(1,650,789)		(161,850)			
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:														
Special Revenue														
Title I - Part A	84.010	S010A150030	NCLB5805-16	752,005	7/1/15-6/30/16	(395,812)		395,812						
Title I - Part A	84.010	S010A160030	NCLB5805-17	837,863	7/1/16-6/30/17			441,838	(808,137)		(366,299)			
Title II - Part A	84.367A	S367A150029	NCLB5805-16	196,720	7/1/15-6/30/16	(44,330)		44,330						
Title II - Part A	84.367A	S367A160029	NCLB5805-17	187,896	7/1/16-6/30/17			156,640	(178,720)		(22,080)			
Title III	84.365A	S365A150030	NCLB5805-16	23,100	7/1/15-6/30/16	(12,806)		12,806						
Title III	84.365A	S365A160030	NCLB5805-17	12,578	7/1/16-6/30/17			3,926	(5,261)		(1,335)			
Title III Immigrant	84.365A	S365A150030	NCLB5805-16	21,463	7/1/15-6/30/16	(17,982)		17,982						
Title III Immigrant	84.365A	S365A160030	NCLB5805-17	5,029	7/1/16-6/30/17			2,548	(2,576)		(28)			
I.D.E.A. Preschool	84.173A	S173A150114	PS5805-16	34,514	7/1/15-6/30/16	(34,492)		34,492						
I.D.E.A. Preschool	84.173A	S173A160114	PS5805-17	34,585	7/1/16-6/30/17				(66,180)		(66,180)			
I.D.E.A. B - Basic	84.027	S027A150100	IDEA580516	1,250,096	7/1/15-6/30/16	(177,100)		177,100						
I.D.E.A. B - Basic	84.027	S027A160100	IDEA580517	1,182,438	7/1/16-6/30/17			252,966	(1,561,227)		(1,308,261)			

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE AT JUNE 30, 2017	DUE TO GRANTOR JUNE 30, 2017
Special Revenue (continued):														
Carl D. Perkins Vocational	84.048A	S048A150030	PERK580516	9,760	7/1/15-6/30/16	(8,132)		8,132						
Carl D. Perkins Vocational	84.048A	S048A160030	PERK580517	15,808	7/1/16-6/30/17				(10,079)			(10,079)		
21st Century CLC	84.287C	S287C150030	10-EK05-H14	535,000	9/1/13-8/31/14	(6,398)						(6,398)		
ROTC	12.999	N/A	N/A	56,321	7/1/11-6/30/13	(4,147)						(4,147)		
Total U.S. Department of Education						(701,199)		1,548,572	(2,632,180)			(1,784,807)		
General Fund:														
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	90,951	7/1/15-6/30/16	(27,201)		27,201						
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	33,176	7/1/16-6/30/17			28,692	(33,176)			(4,484)		
ARRA- Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	9,702	10/1/08-12/31/10			9,702	(9,702)					
Total General Fund								65,595	(42,878)			(4,484)		
Total Federal Financial Assistance						(\$1,030,302)		3,432,209	(4,325,847)			(1,951,141)		

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

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS' BALANCES	INTER- GOVERNMENTAL (ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE/ INTERFUND PAYABLE AT JUNE 30, 2017	DUE TO GRANTOR JUNE 30, 2017	MEMO		
													BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:															
General Fund:															
Equalization Aid	17-495-034-5120-078	\$34,387,336	7/1/16-6/30/17			34,387,336	(34,387,336)							(3,249,163)	34,387,336
Transportation Aid	17-495-034-5120-014	470,570	7/1/16-6/30/17			470,570	(470,570)							(43,056)	470,570
Special Education Aid	17-495-034-5120-089	2,391,334	7/1/16-6/30/17			2,391,334	(2,391,334)							(218,800)	2,391,334
Security Aid	17-495-034-5120-084	1,086,670	7/1/16-6/30/17			1,086,670	(1,086,670)							(93,409)	1,086,670
Extraordinary Aid	16-495-034-5120-044	395,722	7/1/15-6/30/16	(395,722)		395,722									
Extraordinary Aid	17-495-034-5120-044	777,867	7/1/16-6/30/17				(777,867)			(777,867)					
PARCC Readiness	17-495-034-5120-098	38,910	7/1/16-6/30/17			38,910	(38,910)							(3,560)	38,910
Per Pupil Growth Aid	17-495-034-5120-097	38,910	7/1/16-6/30/17			38,910	(38,910)							(3,560)	38,910
Professional Learning Community Aid	17-495-034-5120-101	36,830	7/1/16-6/30/17			36,830	(36,830)							(3,370)	36,830
Nonpublic Transportation	16-100-034-5120-068	46,569	7/1/15-6/30/16	(46,569)		46,569									
Nonpublic Transportation	17-100-034-5120-068	40,932	7/1/16-6/30/17				(40,932)			(40,932)					
On-Behalf TPAF Pension Contributions (Nonbudgeted)	17-495-034-5094-002	2,829,640	7/1/16-6/30/17			2,829,640	(2,829,640)								2,829,640
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	17-495-034-5094-001	2,357,733	7/1/16-6/30/17			2,357,733	(2,357,733)								
On-Behalf TPAF Pension & Annuity Fund Non-Contributory Insurance	17-495-034-5094-001	4,389	7/1/16-6/30/17			4,389	(4,389)								
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	16-495-034-5094-003	2,148,023	7/1/15-6/30/16	(88,284)		88,284									
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	17-495-034-5094-003	1,824,777	7/1/16-6/30/17			1,653,443	(1,824,777)			(171,334)					1,824,777
Total General Funds				(530,575)		45,826,340	(46,285,898)			(990,133)				(3,614,918)	43,104,977
Special Revenue Fund:															
Preschool Education	16-495-034-5120-086	1,176,388	7/1/15-6/30/16	68,767	(68,767)										
Preschool Education	16-495-034-5120-086	1,123,812	7/1/16-6/30/17		68,767	1,123,812	(1,113,948)				78,631				1,113,948
Green Technology	15-AG85-G06	6,000	2/1/14-1/31/15	1,562									1,562		
NJ Nonpublic Aid Security	16-100-034-5120-509	4,125	7/1/15-6/30/16	375				(375)							
Security	17-100-034-5120-509	7,600	7/1/16-6/30/17			7,600	(6,880)					720			
Speech	16-100-034-5120-068	21,738	7/1/15-6/30/16	3,762				(3,762)							
Speech	17-100-034-5120-068	19,437	7/1/16-6/30/17			19,437	(18,023)					1,414			18,023
Examination & Classification	16-100-034-5120-068	18,070	7/1/15-6/30/16	2,048				(2,048)							
Examination & Classification	17-100-034-5120-068	17,654	7/1/16-6/30/17			17,654	(16,032)					1,622			16,032
Compensatory Education	16-100-034-5120-067	63,452	7/1/15-6/30/16	256				(256)							
Compensatory Education	17-100-034-5120-067	64,498	7/1/16-6/30/17			64,498	(64,229)					269			64,229
Textbook Aid	16-100-034-5120-064	9,422	7/1/15-6/30/16	1,016				(1,016)							
Textbook Aid	17-100-034-5120-064	8,762	7/1/16-6/30/17			8,762	(8,130)					632			8,130
Nursing Aid	16-100-034-5120-070	14,850	7/1/15-6/30/16	810				(810)							
Nursing Aid	17-100-034-5120-070	13,680	7/1/16-6/30/17			13,680	(13,680)								
Technology Initiative	16-100-034-5120-068	4,290	7/1/15-6/30/16	671				(671)							
Technology Initiative	17-100-034-5120-068	3,952	7/1/16-6/30/17			3,952	(3,387)					565			3,387
ESL	16-100-034-5120-067	4,141	7/1/15-6/30/16	86				(86)							
ESL	17-100-034-5120-067	8,222	7/1/16-6/30/17			8,222	(3,654)					4,568			3,654
Supplementary Instruction	16-100-034-5120-068	14,851	7/1/15-6/30/16	2,227				(2,227)							
Supplementary Instruction	17-100-034-5120-068	14,125	7/1/16-6/30/17			14,125	(12,006)					2,119			12,006
Total Special Revenue Funds				81,580		1,281,742	(1,259,969)		(11,251)		78,631	13,471			1,239,409

WILLINGBORO TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE/ INTERFUND PAYABLE AT JUNE 30, 2017	DUE TO GRANTOR JUNE 30, 2017	MEMO		
												BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
Capital Projects Fund:														
New Jersey Economic Development Authority:														
WR James Elementary Renovation	5805-080-09-1006	3,215,969	Completion	(170,268)	170,259			9						3,215,969
Twin Hills School Renovations	5805-120-09-1008	3,330,197	Completion	(204,820)	204,211			609						3,330,197
Stuart School Renovations	5805-090-09-1007	3,556,579	Completion	(230,548)	230,538			10						3,556,579
Hawthorne Park Renovations	5805-065-09-1005	3,326,836	Completion	(305,295)	305,287			8						3,326,836
Garfield Park East Renovations	5805-064-09-1004	3,247,705	Completion	(195,807)	195,797			10						3,247,705
Levitt Middle School Renovations	5805-040-09-1001	4,815,977	Completion	(240,799)	240,789			10						4,815,977
Total Capital Projects Fund				(1,347,537)	1,346,881			656						21,493,263
State Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program	16-100-010-3350-023	22,056	7/1/15-6/30/16	(4,621)	4,621									
National School Lunch Program	17-100-010-3350-023	22,688	7/1/16-6/30/17		20,721	(22,688)			(1,967)					22,688
Total Enterprise Funds				(4,621)	25,342	(22,688)			(1,967)					22,688
Total State Financial Assistance				(\$1,801,153)	48,480,305	(47,568,555)		656	(11,251)	(992,100)	78,631	13,471	(3,614,918)	65,860,337
Less:														
On-Behalf TPAF Pension System Contributions								(2,829,640)						
On-Behalf TPAF Post-Retirement Medical								(2,357,733)						
On-Behalf TPAF Pension & Annuity Fund Non-Contributory Insurance								(4,389)						
Total for State Financial Assistance - Major Program Determination								(\$42,376,793)						

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

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE JUNE 30, 2017**

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Willingboro Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule 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 Board's basic financial statements. The information in this schedule is presented in accordance with the 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 *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payment 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 last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(29,939) for the general fund and \$-0- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**WILLINGBORO TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2017**

	Federal	State	Total
General Fund	\$ 42,878	46,339,818	\$46,382,696
Special Revenue Fund	2,632,180	1,259,969	3,892,149
Food Service Fund	1,624,450	22,688	1,647,138
	<hr/>		
Total Financial Assistance	\$ 4,299,508	47,622,475	\$51,921,983

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 and Post-Retirement Medical Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

Note 6. Federal and State Loans Outstanding

The Willingboro Township Board of Education had no loan balances outstanding at June 30, 2017.

Note 7. Major Programs

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

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I— Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
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?	Yes

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I
84.027	IDEA - B

Dollar threshold used to distinguish between Type A Programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I — Summary of Auditor's Results (continued):

State Awards

Dollar threshold used to distinguish between type A Type Programs:	\$1,271,304
Auditee qualified as low-risk auditee?	No
Type of auditor's report issued on compliance for major programs:	<u>Modified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?	Yes

Identification of major programs:

GMIS Number(s)	Name of State Program
17-495-034-5120-078	Equalization Aid
17-495-034-5094-003	Reimbursed TPAF Social Security

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II — Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Uniform Guidance audit.

Finding 2017-01:

Criteria:

The district should only pay premiums for health benefits of existing and active employees and ensure that all participating employees pay their applicable contributory share to the District.

Condition:

The following issues were noted during the testing of the district's health benefit coverage:

- It was noted while testing the district's medical prescription coverage that the district paid premiums for five (5) individuals that were no longer employees of the district.
- While testing the district's dental coverage the district paid premiums for seven (7) individuals where five (5) were not employees of the district and two (2) opted out of the dental coverage plan. Also, ten (10) employees that received dental coverage did not pay for such coverage.
- While testing the district's State medical health coverage seven (7) employees that received medical health coverage did not pay for such coverage.

Effect:

There is an estimated overpayment amount of \$16,530 for health benefit premiums paid by the district for the 2017 fiscal year. Also, there is an estimated amount of \$26,411 that health benefited employees owe the District for 2017 fiscal year.

Cause:

Oversight of district personnel

Recommendation:

The district must implement procedures to ensure that correct amounts are paid for health benefit premiums and participating employees pay for their applicable share of such health benefits.

Views of responsible officials and planned corrective action:

Management concurs with the finding and is actively pursuing reimbursement from vendors and employees.

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II — Financial Statement Findings (continued):

Finding 2017-02:

Criteria:

Approved budgetary line accounts should not be over-expended.

Condition:

Five budgetary line accounts were over-expended.

Effect:

A total over-expenditure of \$544,360 occurred for the five budgetary line accounts.

Cause:

Oversight of district personnel.

Recommendation:

Approved budgetary line accounts should not be over-expended. All year to date expenditures must be posted timely along with executing approved budget transfers in order to cover such costs.

Views of responsible officials and planned corrective action:

Management concurs with the finding.

Finding 2017-03:

Criteria:

Charges to the Title I Grant for salaries and wages must be based on records that accurately reflect the work performed which is supported by monthly activity reports.

Condition:

One employee who was charged to the Title I Grant did not submit the required monthly activity reports for two months.

Effect:

Noncompliance with maintaining time and effort distribution records according to provisions of 2 CFR section 200.430.

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II — Financial Statement Findings (continued):

Cause:

Oversight of district personnel.

Recommendation:

All employees that charge salary and wages toward the Title I Grant should submit monthly activity reports and that the District retain these records in order to be in compliance with the provisions of 2 CFR section 200.430.

Views of Responsible Officials and Planned Corrective Action:

Management concurs with the finding.

Finding 2017-04:

Criteria:

Student enrollment on the ASSA report should be in agreement with the District's student enrollment workpapers.

Condition:

The following issues were noted during the testing of the district's ASSA report.

- It was noted during the sample test of on-roll eligible regular students that six (6) students were not reported on the ASSA report but were listed on the District's school register. Also, there were forty-six (46) students not reported on the ASSA report as compared to the District's school register.
- It was noted during the sample test of private school handicapped that one student's IEP was not available for audit review in order to verify the student's eligibility to be counted on the ASSA report. Also, there were ten (10) students not reported on the ASSA report as compared to the District's workpapers.
- It was noted during the test of on-roll Low Income students that the ASSA report listed one-hundred and six (156) more students as compared to the District's workpapers.
- It was noted during the test of on-roll eligible LEP - Low Income students that the ASSA report listed five (5) more students as compared to the District's workpapers.
- It was noted during the test of on-roll eligible LEP – Not Low Income students that the ASSA report listed four (4) more students as compared to the District's workpapers.

Effect:

The difference in reporting may have a negative effect on government funding.

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II — Financial Statement Findings (continued):

Cause:

Unknown

Recommendation:

The District must implement procedures to ensure that correct student enrollment counts are submitted on the ASSA report.

Views of responsible officials and planned corrective action:

Management concurs with the finding.

Section III — Federal Awards & State Financial Assistance Finding & Questioned Costs

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

Federal Awards

Findings 2017-03 is part of this section. Please refer to Section II for details.

State Awards

Findings 2017-01, 2017-02 and 2017-04 are part of this section. Please refer to Section II for details.

**WILLINGBORO TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Status of Prior Year Findings:

Finding 2016-01:

Condition:

The following issues were noted during the testing of the district's health benefit coverage:

- It was noted while testing the district's medical prescription coverage that the district paid premiums for thirty-five (35) individuals that are not employees of the district.
- While testing the district's dental coverage that the district paid premiums for forty-seven (47) individuals that are not employees of the district.
- While testing the district's State medical health coverage that the district paid premiums for one (1) individual that is not an employee of the district.

Current Status:

This condition has not been corrected. Refer to Finding 2017-01

Finding 2016-02:

Condition:

The following issues were noted during the testing of the district's ASSA report.

- It was noted during the sample test of on-roll eligible regular students that one pupil was not reported on the ASSA report but was listed on the District's school register.
- It was noted during the test of on-roll eligible LEP students that test scores of seven (7) LEP students, one (1) low income and six (6) not low income, were unavailable for audit review in order to verify the student's eligibility to be enrolled on the ASSA report.

Current Status:

This condition has not been corrected. Refer to Finding 2017-04.

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<u>Number</u>	<u>Recommendation</u>	<u>Assigned</u>	<u>Completed by</u>
2017-01	District should only pay Premiums for health benefits of Existing and active employees	Director Human Resources Business Administrator	Completed and ongoing

Corrective Action Recommended

The Director of Human Resources will oversee all benefit changes and appropriate cost adjustment on the carriers invoice

Corrective Action Approved by the Board:

Implementation:

- HR Director, will continue to work with the benefits clerk to monitor health benefit changes as per the procedure already in place as follows. Even though, the situation detailed in this finding is much improved over previous years, the continued and improved monitoring is necessary to bring full closure to this issue.
- The excel worksheet being used will be compared monthly to the details of the bill received, with the understanding that individuals will not exit coverage at a minimum of 60 days
- If employee is not removed within the 60 days the benefits clerk will call the carrier for resolution
- The benefits clerk will maintain a file of all correspondence with the providers and employees
- A new procedure to verify current employees are paying their health coverage will involve improved communications with the payroll department
- The current form being used to track the contribution from the employee will be revised with a signature line to be approved by the Business Administrator, which will generate the change. Thus, this will ensure appropriate for the employee contribution deduction between the Human Resources Department and the Business Office via the Payroll Department.

<u>Number</u>	<u>Recommendation</u>	<u>Assigned</u>	<u>Completed</u>
2017-02	Five Budgetary Line Items were over Expended.	Comptroller Business Administrator	Completed and Ongoing

Corrective Action Recommended

- It is to be noted that during the 2016-2017 fiscal year all reports submitted to the Board of Education and County Office did not have over expended line items.
- To ensure that during the audit process the correct report is provided to the auditor before the transfers are made to correct any possible over expenditures. The over expenditure represented 2.67 % of normal district operations and 97.33% of litigation as a result of claim against the district that was awarded by the court and ordered to be paid out of District's 2016-2017 Budget.

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Corrective Action Approved by the Board:

Implementation:

- The Comptroller will review with the Business Administrator the Financial Information provided to the Independent Auditor before it is delivered to them to ensure the proper timing of the adjustments has occurred.

<u>Number</u>	<u>Recommendation</u>	<u>Assigned</u>	<u>Completed</u>
2017-03	One employee was charged To the Title 1 Grant did not Submit Required Monthly Activity Sheets For two months	Chief of Schools Director of Special Projects, Comptroller	Completed and Ongoing

Corrective Action Recommended

- All employees that charge salary and wages toward the Title 1 Grant should submit required original monthly activity reports on a monthly basis prior to be compensated by the Business Office.

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Corrective Action Approved by the Board:

Implementation:

- The Director of Special Projects (DSP) will review the monthly activity report presented by the employee and sign off on the respective monthly work performed.
- The DSP will present the activity report to the Chief of Schools for confirmation of activity.
- The report provided to the Comptroller will be for the express purpose to verify prior to each payroll cycle that each employee under the Title 1 grant has submitted an approved monthly activity report, before a payroll check is processed for Title 1 employees.

Number	Recommendation	Assigned	Completed
2017-04	Student record on ASSA Agree with district student Enrollment	Program Directors Business Office	Completed and Ongoing

Corrective Action Recommended

- The date of entry for the ELL program students will be entered in a timely manner
- Administrative assessments conducted for students
- A roster will be maintained and regularly verified for each student
- The new centralize registration system and coordinator of student enrollment are working together to verify student enrollment on a monthly basis

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Corrective Action Approved by the Board

Implementation:

- Continue to monitor the student enrollment of a monthly basis
- Continue to classify the students appropriately. Even though as indicated in the audit there was 46 students not reported on the ASSA. In actuality it was proven that they were reported, however, they were not properly classified. As a result the auditor was not able to validate the students, thus a better means of classifying the students will be implemented.
- The Business Office will become more involved in the process to ensure supporting documentation is provided by the respective departments before the final submission of the ASSA.

<u>Number</u>	<u>Recommendation</u>	<u>Assigned</u>	<u>Completed</u>
2017-05	High School Activity Account not maintained Appropriately	Comptroller School Administrator	Completed and Ongoing

Corrective Action Recommended

- The High School Student Activity account be completed correctly, timely and on a on a monthly basis.
- The district should maintain all cash deposit slips and supporting documentation in order to identify collected receipts.

Corrective Action Approved by the Board

Implementation:

- To develop a short test to ensure the proposed school banker has the capacity to handle the duties and responsibilities of a school banker.
- Comptroller will establish a monthly timeline to meet with the responsible staff accountant to ensure the accounts are appropriately reconciled.
- The banker will have to provide supporting documentation for each deposit ticket.
- The bankers books will also be reviewed on a monthly basis to ensure the information being reported is substantiated by the accounting software employed at the school level.
- The building administrator work with the business office to ensure the school banker is available to meet with the staff accountant on a monthly basis before being appointed to the banker position to ensure continuity of the monthly reconciliation process.