

**Woodbury Heights Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017**

**WOODBURY HEIGHTS SCHOOL DISTRICT
WOODBURY HEIGHTS, NEW JERSEY**

**Woodbury Heights Board of Education
Woodbury Heights, New Jersey**

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Woodbury Heights Board of Education
Woodbury Heights, New Jersey**

For the Fiscal Year Ended June 30, 2017

Prepared by:

Woodbury Heights Board of Education Administration

OUTLINE OF CAFR		Page
INTRODUCTORY SECTION		1
Letter of Transmittal		2-5
Organizational Chart		6
Roster of Officials		7
Consultants and Advisors		8
FINANCIAL SECTION		9
Independent Auditor's Report		10-12
Required Supplementary Information - Part I		13
Management's Discussion and Analysis		14-21
Basic Financial Statements		22
A. District-Wide Financial Statements:		23
A-1 Statement of Net Position		24
A-2 Statement of Activities		25
B. Fund Financial Statements:		26
Governmental Funds:		
B-1 Balance Sheet		27
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances		28-29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		30
Proprietary Funds:		
B-4 Statement of Net Position		31
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position		32
B-6 Statement of Cash Flows		33
Fiduciary Funds:		
B-7 Statement of Fiduciary Net Position		34
B-8 Statement of Changes in Fiduciary Net Position		N/A
Notes to the Financial Statements		35-54
Required Supplementary Information – Part II		55
C. Budgetary Comparison Schedules:		56
C-1 Budgetary Comparison Schedule - General Fund		57-67
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (if applicable)		N/A
C-1b Community Development Block Grant - Budget and Actual (if applicable)		N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund		68
Notes to the Required Supplementary Information – Part II		69
C-3 Budget-to-GAAP Reconciliation – Note to RSI		70

	Page
Required Supplementary Information – Part III	71
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	72
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability - PERS	73
L-2 Schedule of District Contributions - PERS	74
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability - TPAF	75
Notes to the Required Supplementary Information – Part III	76-77
Other Supplementary Information	78
D. School Based Budget Schedules (if applicable) :	N/A
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:	79
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	80-82
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	83
F-1 Summary Schedule of Project Expenditures	84
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	85
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	86
G. Proprietary Funds:	87
Enterprise Fund:	
G-1 Combining Schedule of Net Position	88
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	89
G-3 Combining Schedule of Cash Flows	90
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

	Page
H. Fiduciary Funds:	91
H-1 Combining Statement of Fiduciary Net Position	92
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	93
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	94
I. Long-Term Debt:	95
I-1 Schedule of Serial Bonds	96
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	97
STATISTICAL SECTION (Unaudited)	98
Introduction to the Statistical Section	99
Financial Trends	
J-1 Net Position by Component	100
J-2 Changes in Net Position	101-102
J-3 Fund Balances - Governmental Funds	103
J-4 Changes in Fund Balances - Governmental Funds	104
J-5 General Fund Other Local Revenue by Source	105
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	106
J-7 Direct and Overlapping Property Tax Rates	107
J-8 Principal Property Taxpayers	108
J-9 Property Tax Levies and Collections	109
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	110
J-11 Ratios of General Bonded Debt Outstanding	111
J-12 Direct and Overlapping Governmental Activities Debt	112
J-13 Legal Debt Margin Information	113
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	114
J-15 Principal Employers	115
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	116
J-17 Operating Statistics	117
J-18 School Building Information	118
J-19 Schedule of Required Maintenance Expenditures by School Facility	119
J-20 Insurance Schedule	120
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios/Renaissance School Project Framework. Financial Performance, Fiscal Ratios	N/A

SINGLE AUDIT SECTION

Page
121

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	122-123
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and New Jersey OMB's Circular 15-08	124-126
K-3	Schedule of Expenditures of Federal Awards, Schedule A	127
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	128
K-5	Notes to the Schedules of Expenditures of Awards and Financial Assistance	129-130
K-6	Schedule of Findings and Questioned Costs	131-133
K-7	Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	134

INTRODUCTORY SECTION

WOODBURY HEIGHTS BOARD OF EDUCATION
100 ACADEMY AVENUE
WOODBURY HEIGHTS, NJ 08097

November 30, 2017

Honorable President and
Members of the Board of Education
Woodbury Heights School District
Gloucester County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State OMB's 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: Woodbury Heights School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Woodbury Heights Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Kindergarten through six. These include regular, as well as special education for handicapped students.

The District finished the 2016-2017 fiscal school year with a resident enrollment of 226 students, which is an increase of three (3) students enrolled from the previous year.

1) REPORTING ENTITY AND ITS SERVICES (CONTINUED):

	<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2016-2017	226.2	.87%
2015-2016	224.2	1.77%
2014-2015	220.3	3.09%
2013-2014	213.7	-4.38%
2012-2013	223.5	2.66%
2011-2012	217.7	-1.23%
2010-2011	220.4	-6.29%
2009-2010	235.2	.09%
2008-2009	235.0	.69%
2007-2008	233.4	-4.34%

2) ECONOMIC CONDITION AND OUTLOOK: The Borough of Woodbury Heights is experiencing a period of minimal development and little expansion. The trend is expected to continue through the short term. The Borough is also experiencing a period of moderate housing sales. The state and national economy are reflected in the employment base of the area. Municipal leaders are working diligently with Gloucester County Office of Economic Development to replace lost businesses and commercial ratables.

3) MAJOR INITIATIVES: During the 2016-2017 school year, the Woodbury Heights School staff focused on three District objectives: 1) to build capacity of all teachers in aligning their lesson plans and assessments with the Next Generation Science Standards; 2) to develop a school-wide, standardized writing plan, including common vocabulary and strategies, across all grade levels and subject areas; and 3) to increase integration of technology applications and initiatives into daily practice to improve instructional practice and student achievement. To achieve these objectives, the District supports the following allocation of resources: professional development and release time for curriculum alignment and development in the areas of science and writing. Measures of Academic Progress (MAP) testing continues to be purchased for student benchmark assessment. The District continues to employ the services of a technology coach to work with classroom teachers. Chrome book and iPad purchases enable students to integrate technology into every subject area.

The Board continues to focus its efforts on reducing costs to the District and community by increasing shared services. These services are contracted through Gateway Regional High School and include: business office, purchasing, cafeteria, child study team, and curriculum. This sharing of services allows the District to enjoy a quality education program while realizing significant financial benefit.

The Board has inquired about creating more space in the District by expanding the front entrance. The additional building would be for educational space and office space as well as creating a more secure and inviting front entrance to the District. An architect and engineering firm has met with the Board of Education, administrators as well as stakeholders in the community about the best way to proceed.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but

4) INTERNAL ACCOUNTING CONTROLS (CONTINUED): not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS: 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 1.

7) DEBT ADMINISTRATION: At June 30, 2017, the District's outstanding debt issues included \$257,516 of 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 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland County Joint Insurance Fund. Now in its sixteenth year of operations, the JIF is performing well, meeting and/or exceeding expectations.

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the Woodbury Heights Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the related Uniform Guidance and New Jersey OMB’s Circular 15-08. The auditor’s report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Woodbury Heights School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Janis Gansert

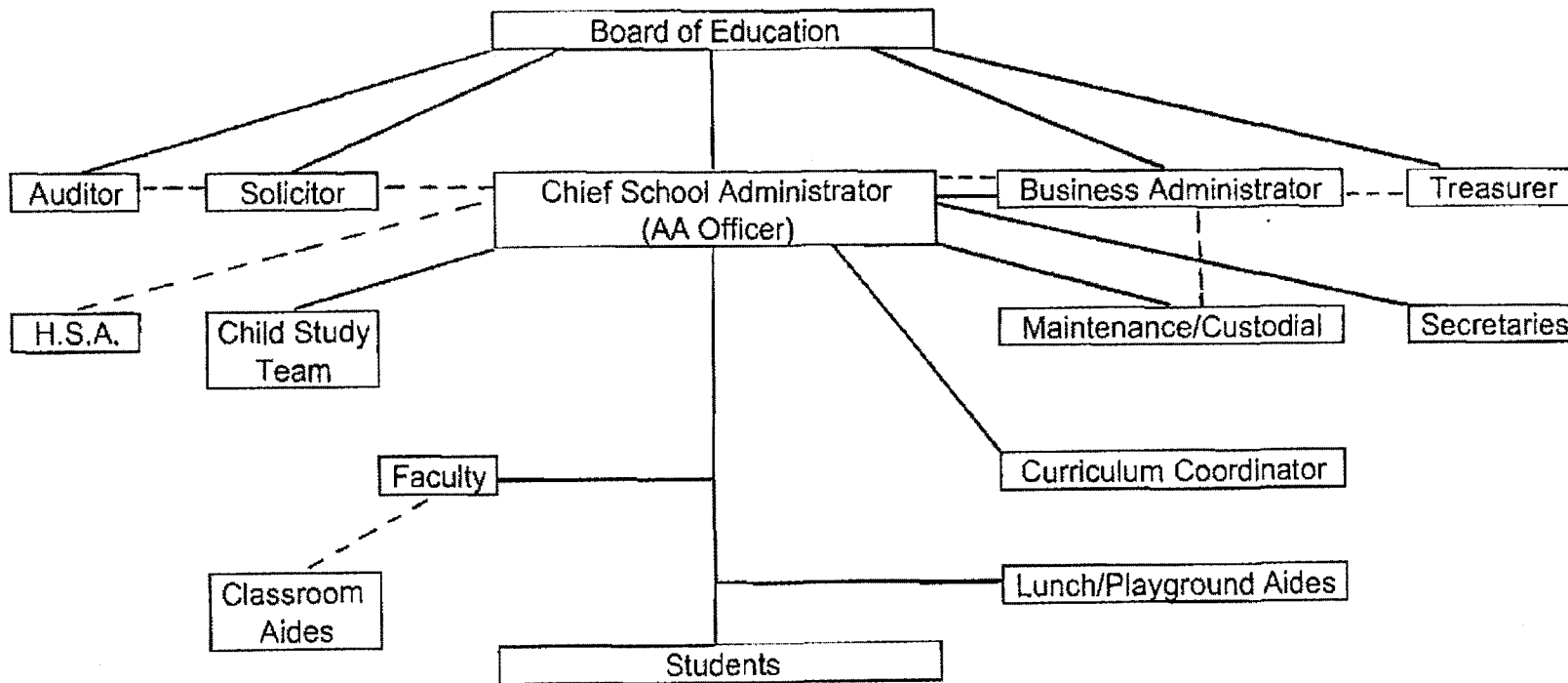
Janis Gansert
Chief School Administrator

Christopher M. Rodia

Christopher M. Rodia
School Business Administrator/
Board Secretary

**WOODBURY HEIGHTS BOARD OF EDUCATION
WOODBURY HEIGHTS, NEW JERSEY**

ORGANIZATIONAL CHART



Direct Responsibility _____
Cooperative Responsibility - - - - -

WOODBURY HEIGHTS BOARD OF EDUCATION
Woodbury Heights, NJ 08097

ROSTER OF OFFICIALS
June 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Laurie Trocolli, President	2019
Richard Gambale, Vice President	2019
James Kelleher	2018
Donetta Beatty	2017
Jeffrey Brenner	2017
Shelle McGovern	2017
John Morris	2017

OTHER OFFICIALS

Janis Gansert, Chief School Administrator
Christopher Rodia, School Business Administrator/Board Secretary
Charles Owens, Treasurer
Joseph F. Betley, Esq., Solicitor

**WOODBURY HEIGHTS BOARD OF EDUCATION
Woodbury Heights, NJ 08097**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Petroni & Associates LLC
102 West High St., Suite 100
Glassboro, NJ 08028

ATTORNEY

Capehart & Scatchard
Laurel Corporate Center, Suite 300
8000 Midlantic Drive
Mount Laurel, NJ 08054

OFFICIAL DEPOSITORY

1st Colonial Community Bank
321 Broadway
Westville, NJ 08093

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Woodbury Heights School District
100 Academy Avenue
Woodbury Heights, New Jersey 08097

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Woodbury Heights School District, in the County of Gloucester, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Woodbury Heights Board of Education 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 Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodbury Heights Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is the responsibility of management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Predecessor Auditor

The financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information and the related notes to the financial statements for the year ended June 30, 2016, was audited by a predecessor auditor. The predecessor auditor issued an Unmodified Opinion on the financial statements.

The predecessor audit report was dated December 9, 2016.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the Woodbury Heights Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Woodbury Heights Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

WOODBURY HEIGHTS SCHOOL DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017
Unaudited

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

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- *Governmental funds statements* tell how *basic* services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds statements* offer *short-term and long-term* financial information about activities the District operates *like business*.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

Financial Highlights

Key financial highlights for 2017 are as follows:

- * General revenues accounted for \$4,170,066 in revenue or 90 percent of all revenues.
- * Program specific revenues, in the form of charges for services, grants, and contributions, accounted for \$483,068 or 10 percent of total revenues of \$4,603,739.
- * The School District had \$4,472,673 in expenses; only \$483,068 of these expenses were offset by program specific charges for services, grants or contributions.
- * Among governmental funds, the General Fund had \$4,141,033 in revenues and the General Fund's fund balance increased \$221,901 over 2016.

Using this Comprehensive Annual Financial Report (CAFR)

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

Using this Comprehensive Annual Financial Report (CAFR) (Continued)

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Woodbury Heights School District, the General Fund is by far the most significant fund.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental

Governmental Funds (Continued)

Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as Business-type Activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net positions may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2017, with comparative data from 2016.

The School District as a Whole (Continued)

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current & other assets	\$ 1,196,675	\$ 1,002,301	\$ 27,446	\$ 19,899	\$ 1,224,121	\$ 1,022,200
Capital assets	576,755	642,087			576,755	642,087
Total assets	<u>1,773,430</u>	<u>1,644,388</u>	<u>\$ 27,446</u>	<u>\$ 19,899</u>	<u>1,800,876</u>	<u>1,664,287</u>
Deferred Outflows	<u>182,827</u>	<u>113,420</u>			<u>182,827</u>	<u>113,420</u>
Noncurrent liabilities	287,718	320,135			287,718	320,135
Other liabilities	89,914	142,791			89,914	142,791
Net pension liability	725,771	631,664			725,771	631,664
Total liabilities	<u>1,103,403</u>	<u>1,094,590</u>			<u>1,103,403</u>	<u>1,094,590</u>
Deferred Inflows	<u>108,018</u>	<u>101,095</u>				<u>101,095</u>
Net position:						
Invested in capital						
assets, net of debt	319,239	364,571			319,239	364,571
Restricted	927,592	717,135			927,592	717,135
Unrestricted	(501,995)	(519,584)	\$ 27,446	\$ 19,899	(474,549)	(499,685)
Total net position	<u>\$ 744,836</u>	<u>\$ 562,122</u>	<u>\$ 27,446</u>	<u>\$ 19,899</u>	<u>\$ 772,282</u>	<u>\$ 582,021</u>

The District's combined net position was \$772,282 on June 30, 2017. This was an increase from the prior year of \$190,261.

Table 2 shows changes in net position for fiscal year 2017, with comparative data from 2016.

The School District as a Whole (Continued)

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services			\$ 51,046	\$ 50,279	\$ 51,046	\$ 50,279
Operating grants & contributions	\$ 432,022	\$ 423,758			432,022	423,758
General revenues:						
Property taxes	2,653,644	2,567,984			2,653,644	2,567,984
Grants & entitlements	1,470,119	1,427,424			1,470,119	1,427,424
Other	46,303	21,731			46,303	21,731
Total revenues	<u>4,602,088</u>	<u>4,440,897</u>	<u>51,046</u>	<u>50,279</u>	<u>4,653,134</u>	<u>4,491,176</u>
Expenses:						
Instruction	2,156,704	2,139,879			2,156,704	2,139,879
Support services	2,186,779	2,067,312			2,186,779	2,067,312
Capital outlay	9,674	1,103			9,674	1,103
Unallocated depreciation	65,333	64,503			65,333	64,503
Interest on debt	10,684	11,198			10,684	11,198
Other enterprise			43,499	43,316	43,499	43,316
Total expenses	<u>4,429,174</u>	<u>4,283,995</u>	<u>43,499</u>	<u>43,316</u>	<u>4,472,673</u>	<u>4,327,311</u>
Change in net position	172,914	156,902	7,547	6,963	180,461	163,865
Prior period adjustment	9,799	(4,449)			9,799	(4,449)
Beginning net position	562,123	409,670	19,899	12,936	582,022	422,606
Ending net position	<u>\$ 744,836</u>	<u>\$ 562,123</u>	<u>\$ 27,446</u>	<u>\$ 19,899</u>	<u>\$ 772,282</u>	<u>\$ 582,022</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 57.7% of revenues for Governmental Activities for the Woodbury Heights School District for fiscal year 2017. The District's total revenues were \$4,602,088 for the year ended June 30, 2017. Federal, state, and local grants accounted for another 41.3% of revenue.

The total cost of all programs and services was \$4,429,174. Instruction comprises 48.7% of District expenses.

Business-type Activities

Revenues for the District's Business-type Activity (Latchkey program) were comprised of charges for services and federal and state reimbursements.

* Income exceeded expenditures by \$7,547.

* Charges for services represent \$51,046 of revenue.

Statement of Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of

Statement of Activities (Continued)

services for the year 2017, with comparative data for 2016. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction:	\$ 2,156,704	\$ 2,139,879	\$ 1,840,017	\$ 1,835,081
Support services:				
Pupil & instructional staff	626,531	630,741	511,196	511,781
General administration, school administration & business operation	314,830	304,707	314,830	304,707
Operation & maintenance of facilities	194,143	209,533	194,143	209,533
Pupil transportation	34,353	47,575	34,353	47,575
Employee benefits	1,016,922	931,881	1,016,922	931,881
Interest	10,684	11,198	10,684	11,198
Capital outlay	9,674	1,103	9,674	1,103
Unallocated depreciation	65,333	64,503	65,333	64,503
	<u>\$ 4,429,174</u>	<u>\$ 4,341,120</u>	<u>\$ 3,997,152</u>	<u>\$ 3,917,362</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

All Governmental Funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$4,603,739 and expenditures were \$4,380,187.

General Fund Budgeting Highlights

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

General Fund Budgeting Highlights (Continued)

During the course of the fiscal 2017 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

- Transfers between budgetary line accounts to prevent overruns.

This fiscal year was completed utilizing a zero based budgeting process as implemented by the Board of Education and Administration. This process allowed us to more accurately account for our expenditures by school. Principals became more aware of their appropriation limitations and managed their individual school budgets effectively.

The General Fund revenues exceeded expenditures and other financing sources of the School District for the year by \$223,552.

Capital Assets

At the end of the fiscal year the School District had \$576,755 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2017 balances compared to 2016.

Table 4
Capital Assets (Net of Depreciation)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Building & building improvements	\$ 542,659	\$ 596,183
Machinery & equipment	34,096	45,905
	<u>\$ 576,755</u>	<u>\$ 642,088</u>

Overall capital assets decreased \$65,333 from the previous year. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2017, the School District had \$287,718 of outstanding debt. Of this amount, \$30,202 is for compensated absences and \$257,516 is for serial bonds for the school HVAC project.

Table 5
Outstanding Serial Bonds at June 30,

	<u>2017</u>	<u>2016</u>
General Obligation Bonds of 2011	\$ 257,516	\$ 277,516
	<u>\$ 257,516</u>	<u>\$ 277,516</u>

For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Woodbury Heights School District is in good financial condition presently. The District is proud of its community support of the public schools. A major concern is the sustained enrollment of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is uncertain.

For the Future (Continued)

In conclusion, the Woodbury Heights School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Christopher Rodia, Business Administrator/Board Secretary at Woodbury Heights Board of Education, 100 Academy Avenue, Woodbury Heights, New Jersey 08097. Please visit our website at: www.woodburyhtselem.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 851,788	\$ 27,446	\$ 879,234
Receivables, net	164,948		164,948
Restricted cash and cash equivalents	179,939		179,939
Capital assets, net	576,755		576,755
Total assets	<u>1,773,430</u>	<u>\$ 27,446</u>	<u>1,800,876</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>182,827</u>		<u>182,827</u>
LIABILITIES			
Accounts payable	25,347		25,347
Payable to state government	40,766		40,766
Deferred revenue	23,801		23,801
Noncurrent liabilities:			
Due within one year	25,000		25,000
Due beyond one year	262,718		262,718
Net pension liability	725,771		725,771
Total liabilities	<u>1,103,403</u>		<u>1,103,403</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows related to pension	<u>108,018</u>		<u>108,018</u>
NET POSITION			
Invested in capital assets, net of related debt	319,239		319,239
Restricted for:			
Debt service	2		2
Capital projects	29,933		29,933
Other purposes	897,657		897,657
Unrestricted	(501,995)	\$ 27,446	(474,549)
Total net position	<u>\$ 744,836</u>	<u>\$ 27,446</u>	<u>\$ 772,282</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,620,711		\$ 316,687		\$ (1,304,024)	\$ (1,304,024)
Special education	387,728				(387,728)	(387,728)
Other special instruction	144,195				(144,195)	(144,195)
Other instruction	4,070				(4,070)	(4,070)
Support services:						
Tuition	143,334				(143,334)	(143,334)
Student & instructional related services	483,197		115,335		(367,862)	(367,862)
School administrative services	180,790				(180,790)	(180,790)
General & business administrative services	42,014				(42,014)	(42,014)
Central services	92,026				(92,026)	(92,026)
Plant operations & maintenance	194,143				(194,143)	(194,143)
Pupil transportation	34,353				(34,353)	(34,353)
Employee benefits	1,016,922				(1,016,922)	(1,016,922)
Interest on long-term debt	10,684				(10,684)	(10,684)
Capital outlay	9,674				(9,674)	(9,674)
Unallocated depreciation	65,333				(65,333)	(65,333)
Total governmental activities	<u>4,429,174</u>		<u>432,022</u>		<u>(3,997,152)</u>	<u>(3,997,152)</u>
Business-type activities:						
Project Safekeep	43,499	\$ 51,046			\$ 7,547	7,547
Total primary government	<u>\$ 4,472,673</u>	<u>\$ 51,046</u>	<u>\$ 432,022</u>		<u>\$ (3,997,152)</u>	<u>\$ 7,547</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					\$ 2,622,960	\$ 2,622,960
Taxes levied for debt service					30,684	30,684
Federal and state aid not restricted					1,470,119	1,470,119
Tuition					40,450	40,450
Miscellaneous income					7,504	7,504
Prior year receivables canceled					(1,651)	(1,651)
Total general revenues, special items, extraordinary items, and transfers					<u>4,170,066</u>	<u>4,170,066</u>
Change in net position					<u>172,914</u>	<u>\$ 7,547</u>
Prior period pension adjustment					9,799	9,799
Net position - beginning					562,123	19,899
Net position - end					<u>\$ 744,836</u>	<u>\$ 27,446</u>

FUND FINANCIAL STATEMENTS

WOODBURY HEIGHTS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 937,230		\$ 29,933	\$ 1	\$ 967,164
Capital reserve - cash	150,005				150,005
Receivables from other governments	6,525	\$ 133,774	22,056	1	162,356
Other - miscellaneous	2,582				2,582
Interfund receivable	10				10
Total assets	\$ 1,096,352	\$ 133,774	\$ 51,989	\$ 2	1,282,117
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash deficit		\$ 85,442			85,442
Accounts payable	\$ 19,526	5,821			25,347
Payable to state government		40,766			40,766
Deferred revenue		1,745	\$ 22,056		23,801
Total liabilities	19,526	133,774	22,056		175,356
Fund balances:					
Restricted for:					
Excess surplus - designated for subsequent year's expenditures	369,852				369,852
Excess surplus	377,950				377,950
Capital reserve	150,005				150,005
Capital projects			29,933		29,933
Assigned to:					
Debt service fund				\$ 2	2
Designated for subsequent year's expenditures	8,890				8,890
Year-end encumbrances	13,177				13,177
Unassigned:					
General fund	156,952				156,952
Total fund balances	1,076,826		29,933	2	1,106,761
Total liabilities and fund balances	\$ 1,096,352	\$ 133,774	\$ 51,989	\$ 2	
Amounts reported for Governmental Activities in the statement of net assets (A-1) are different because:					
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$2,050,406 and the accumulated depreciation is \$1,473,651 (See Note 6).					
					576,755
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 Note 7).					
					(287,718)
Net pension liability adjustment					
					(650,962)
Net position of Governmental Activities					
					\$ 744,836

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES:					
Local sources:					
Local tax levy	\$ 2,622,960			\$ 30,684	\$ 2,653,644
Tuition charges	40,450				40,450
Miscellaneous	7,504				7,504
Total local sources	2,670,914			30,684	2,701,598
State sources	1,470,119	\$ 308,024			1,778,143
Federal sources		123,998			123,998
Total revenues	4,141,033	432,022		30,684	4,603,739
EXPENDITURES:					
Current:					
Regular instruction	1,315,558	316,687			1,632,245
Special education instruction	387,728				387,728
Other special instruction	144,195				144,195
School sponsored activities	4,070				4,070
Support:					
Tuition	143,334				143,334
Student & instruction related services	367,862	115,335			483,197
General administration	180,790				180,790
School administrative services	42,014				42,014
Central services	92,026				92,026
Plant operations and maintenance	194,143				194,143
Pupil transportation	34,353				34,353
Unallocated benefits	1,001,734				1,001,734
Debt Service:					
Principal				20,000	20,000
Interest				10,684	10,684
Capital outlay	9,674				9,674
Total expenditures	3,917,481	432,022		30,684	4,380,187
Excess (deficiency) of revenues over expenditures	223,552				223,552

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Other financing sources (uses):					
Prior year receivable canceled	(1,651)				(1,651)
Total other financing sources (uses)	(1,651)				(1,651)
Net change in fund balances	221,901				221,901
Fund balance - July 1	854,925		29,933	2	884,860
Fund balance - June 30	<u>\$ 1,076,826</u>		<u>\$ 29,933</u>	<u>\$ 2</u>	<u>\$ 1,106,761</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 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)		\$ 221,901
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>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.</p>		
Depreciation expense		\$ (65,333)
Capital outlays		<u>None</u>
		(65,333)
<p>Repayment of debt 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.</p>		
Bond principal		20,000
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		12,417
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments</p>		
		<u>(16,071)</u>
Change in net position of Governmental Activities		<u>\$ 172,914</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Funds
 June 30, 2017

	Business-type Activities - Enterprise Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 27,446
	<u> </u>
NET POSITION	
Unrestricted	\$ 27,446
	<u><u> </u></u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds <hr style="border: 0.5px solid black;"/>
Operating revenues:	
Fees	\$ 51,046 <hr style="border: 0.5px solid black;"/>
Operating expenses:	
Salaries	40,260
Supplies and materials	3,239
Total operating expenses	43,499 <hr style="border: 0.5px solid black;"/>
Operating income (loss)	7,547
Total net position - beginning	19,899 <hr style="border: 0.5px solid black;"/>
Total net position - ending	\$ 27,446 <hr style="border: 1px solid black;"/>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 51,046
Payments to employees	(40,260)
Payments to suppliers	(3,239)
Net cash provided by (used for) operating activities	7,547
Balances - beginning of year	19,899
Balances - end of year	\$ 27,446
Reconciliation of operating income (loss) to net cash provided (used)	
by operating activities:	
Operating income (loss)	\$ 7,547
Net cash provided by (used for) operating activities	\$ 7,547

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2017

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 37,621
Total assets	\$ 37,621
LIABILITIES	
Payroll deductions and withholdings	\$ 26,732
Interfund payable	10
Due to student groups	10,879
Total liabilities	\$ 37,621

NOTES TO THE FINANCIAL STATEMENTS

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

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

A. Reporting Entity

The Woodbury Heights School District is a Type II District located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades PreK-6.

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

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

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

B. Basic Financial Statements – District-Wide Statements

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the District-wide and fund financial statements categorize primary activities as governmental. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. Fiduciary Funds are excluded from the Government-wide financial statements.

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District-wide Statement of Activities reports both the gross and net costs of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.). Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and reimbursed TPAF Social Security Contributions.

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

C. Basic Financial Statements - Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each Governmental Fund as a major fund in accordance with the option in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District's Fiduciary Funds are presented in the fiduciary fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the District-wide statements.

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS (CONTINUED)

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

As required by the New Jersey State Department of Education, the District included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments, (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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

FIDUCIARY FUNDS

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore are not available to support District's programs. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Both Governmental Activities in the District-wide financial statements and the Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. 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. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and, under certain circumstances, require approval by the County Superintendent of Schools. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund 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 grants 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.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 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 District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the 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.

G. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, 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 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.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (NJSA 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 Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 of at least 5% 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.

H. Inventories

Inventories are recorded as expenditures during the year of purchase.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Transactions

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular expenditures/ Expenses, to the funds that initially paid for them, are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/ payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between Governmental and Agency Funds, which are presented as internal balances.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives;

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
Building & improvements	20-50
Machinery & equipment	7-20

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Government 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 District and its employees, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreement with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-based payments for the employer's share of social security and Medicare taxes are included.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the Governmental Funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

L. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources; are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

N. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both Restricted and Unrestricted Funds are available.

O. Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Non-spendable - The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance (Continued)

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

P. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Expenditures

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

R. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, worker's compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

T. Use of Estimates

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

U. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, is anticipated to have an effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements." This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Recent Accounting Pronouncements Not Yet Effective (Continued)

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2017 and 2016, was \$1,096,794 and \$917,003. As of June 30, 2017 and 2016, \$0 of the District's bank balance of \$1,179,227 and \$949,147 respectively, was exposed to Custodial Credit Risk.

During the fiscal year, the District participated in the New Jersey Cash Management Fund. The fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. As of June 30, 2017, the District had deposits in the amount of \$83,651 in the New Jersey Cash Management Fund.

NOTE 3: INVESTMENTS

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

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4: RECEIVABLES

Receivables at June 30, 2017, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities
State aid	\$ 28,581
Federal aid	133,774
Other	2,583
	<u>\$ 164,938</u>

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remain on the balance sheet as of June 30, 2017:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 10	
Agency fund		\$ 10
	<u>\$ 10</u>	<u>\$ 10</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2017</u>
Governmental activities:				
Sites & site improvements	\$ 15,802			\$ 15,802
Building & building improvements	1,723,908			1,723,908
Machinery & equipment	310,696			310,696
Totals at historical cost	<u>2,050,406</u>			<u>2,050,406</u>
Less: accumulated depreciation for:				
Site improvements	15,802			15,802
Building & building improvements	1,127,725	\$ 53,524		1,181,249
Machinery & equipment	264,791	11,809		276,600
Total accumulated depreciation	<u>1,408,318</u>	<u>65,333</u>		<u>1,473,651</u>
Governmental activities capital assets, net	<u>\$ 642,088</u>	<u>\$ (65,333)</u>	<u>None</u>	<u>\$ 576,755</u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2017, consisted of the following:

\$377,516 General Obligation Refunding Bonds dated March 1, 2011, payable in annual installments through March 1, 2026. Interest is paid semi-annually at the rate of 3.85% per annum. The balance remaining at June 30, 2017, was \$257,516.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Bonds payable	\$ 277,516		\$ 20,000	\$ 257,516	\$ 25,000
Compensated absences	42,619	\$ 1,165	13,582	30,202	
	<u>\$ 320,135</u>	<u>\$ 1,165</u>	<u>\$ 33,582</u>	<u>\$ 287,718</u>	<u>\$ 25,000</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2018	\$ 25,000	\$ 9,914	\$ 34,914
2019	25,000	8,952	33,952
2020	25,000	7,989	32,989
2021	25,000	7,027	32,027
2022	30,000	6,064	36,064
2023-2026	127,516	12,592	140,108
	<u>\$ 257,516</u>	<u>\$ 52,538</u>	<u>\$ 310,054</u>

Bonds Authorized but Not Issued

As of June 30, 2017, the Board had no authorized but not issued debt.

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Other (Continued)

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2017, it is not necessary for the Board to establish a liability for arbitrage rebate.

NOTE 8: PENSION FUNDS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans, which have been established by state statute and is 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 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of NJSA 18A:66 to provide retirement benefits, death, disability, and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for TPAF and PERS increased from 5.5% of employee's annual compensation, as defined, to 6.5%. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The current TPAF and PERS rate is 7.2% of covered payroll. The District's contributions to PERS for the years ending June 30, 2017, 2016, and 2015, were \$21,770, \$24,192, and \$27,917, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$338,531 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District \$130,966 during the year ended June 30, 2017, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

The District's total payroll for the year ended June 30, 2017, was \$2,312,111. Covered payroll was \$164,593 for PERS and \$1,678,730 for TPAF for the year ended June 30, 2017.

For the year ended June 30, 2017, the District recognized pension expense of \$37,841. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,304	
Changes of assumptions	132,863	
Net difference between projected and actual earning on pension plan investments	39,660	
Changes in proportion and differences between District contributions and proportionate share of contributions		\$ 108,018
Employer contributions subsequent to the measurement date	24,192	
	\$ 207,019	\$ 108,018

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8: PENSION FUNDS (CONTINUED)

\$24,192 reported as deferred outflows of resources related to pensions resulting from school district project contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2018	\$ 14,383
2019	14,383
2020	25,441
2021	15,738
2022	4,863
	<u>\$ 74,808</u>

Additional Information – Collective balances at June 30, 2015 and 2016, are as follows:

	June 30, 2015	June 30, 2016
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 7,815,204,785
Collective deferred inflows of resources	993,410,455	
Collective net pension liability	<u>22,447,996,119</u>	<u>29,617,131,759</u>
District's proportion	0.0028139008%	0.0024505122%

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et seq.). 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 provision are established by NJSA 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 the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the year ending June 30, 2017, was \$5,464 for covered employees.

NOTE 9: 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 post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for 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 pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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.

NOTE 10: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.
Syracusa
Equi-Vest

NOTE 11: 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 that are not contingent on a specific event that is outside the control of the employer and employee, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the District-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

NOTE 12: LABOR CONTRACTS

As of June 30, 2017, the District has a total of approximately 68 employees. Of this total, approximately 29 employees are represented by the Woodbury Heights Education Association whose union agreement expired on June 30, 2017.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 13: 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 accidents, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District, with respect to loss claims, would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Woodbury Heights Board of Education by inclusion of \$1 in the original 2000-2001 annual capital outlay budget, for the accumulation of funds, for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget, certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017, fiscal year, is as follows:

Beginning balance - July 1, 2016	\$ 5
Deposits approved by resolution	<u>150,000</u>
Ending balance - June 30, 2017	<u>\$ 150,005</u>

The June 30, 2017, LRFP balance of local support costs of uncompleted capital projects at June 30, 2017, is \$238,215.

NOTE 15: FUND BALANCE APPROPRIATED

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 15: FUND BALANCE APPROPRIATED (CONTINUED)

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Restricted

General Fund – In accordance with NJSA 18A:7F-7, \$747,802 is restricted as excess surplus (\$369,852 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2018).

Capital Projects Fund – The Capital Projects Fund balance as of June 30, 2017, was \$29,933.

Assigned

General Fund – The District has appropriated and included as an anticipated revenue for the year ended June 30, 2018, \$8,890 of General fund balance as of June 30, 2017. As of June 30, 2017, the District had \$13,177 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Debt Service Fund – The Debt Service Fund balance as of June 30, 2017, was \$2.

Unassigned

General Fund – As of June 30, 2017, a balance of \$156,952 of fund balance was unassigned.

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017, is \$747,802.

NOTE 17: CONTINGENT LIABILITIES

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

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Woodbury Heights School District that would have a material or adverse effect on the Board or the financial position of the District.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 18: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 36% of the District's 2016-2017 General Fund revenue, while local tax levy accounted for approximately 63%.

NOTE 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 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 their minimum tax levy using the required local share provisions at NJSA 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 Borough of Woodbury Heights did not have any tax abatements for the year ended December 31, 2016.

NOTE 20: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2017 and November 30, 2017, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,622,962		\$ 2,622,962	\$ 2,622,960	\$ (2)
Tuition	15,000		15,000	40,450	25,450
Miscellaneous	3,000		3,000	7,504	4,504
Total - local sources	<u>2,640,962</u>		<u>2,640,962</u>	<u>2,670,914</u>	<u>29,952</u>
State sources:					
Categorical transportation aid	5,453		5,453	5,453	
Categorical special education aid	134,019		134,019	134,019	
Equalization aid	850,798		850,798	850,798	
Categorical security aid	5,736		5,736	5,736	
PARCC readiness aid	2,120		2,120	2,120	
Per pupil growth aid	2,120		2,120	2,120	
Professional Learning Community Aid	2,260		2,260	2,260	
TPAF post-retirement medical (on-behalf/non-budgeted)				153,749	153,749
TPAF long term disability (on-behalf/non-budgeted)				259	259
TPAF pensions contributions (on-behalf/non-budgeted)				184,523	184,523
Reimbursed TPAF social security contributions (non-budgeted)				130,966	130,966
Total - state sources	<u>1,002,506</u>		<u>1,002,506</u>	<u>1,472,003</u>	<u>469,497</u>
Total revenues	<u>\$ 3,643,468</u>		<u>\$ 3,643,468</u>	<u>\$ 4,142,917</u>	<u>\$ 499,449</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Kindergarten - salaries of teachers	\$ 162,121	\$ 824	\$ 162,945	\$ 162,008	\$ 937
Grades 1-5 - salaries of teachers	866,806	7,368	874,174	871,176	2,998
Grades 6-8 - salaries of teachers	181,408	(1,433)	179,975	173,555	6,420
Regular programs - home instruction:					
Salaries of teachers	2,500		2,500		2,500
Regular programs - undistributed instruction:					
Other purchased services	25,260	(10,275)	14,985	11,175	3,810
General supplies	59,500	4,271	63,771	57,145	6,626
Other objects	38,656	8,054	46,710	40,499	6,211
Total regular programs - instruction	<u>1,336,251</u>	<u>8,809</u>	<u>1,345,060</u>	<u>1,315,558</u>	<u>29,502</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	191,786	5,015	196,801	195,941	860
Other salaries for instruction	183,511	(44,635)	138,876	137,649	1,227
General supplies	1,000		1,000	977	23
Other objects	580	(97)	483		483
Total resource room/resource center	<u>376,877</u>	<u>(39,717)</u>	<u>337,160</u>	<u>334,567</u>	<u>2,593</u>
Preschool disabilities - part-time:					
Salaries of teachers	58,542	(6,543)	51,999	33,742	18,257
Other salaries for instruction	27,500		27,500	19,116	8,384
General supplies	1,250		1,250	303	947
Total preschool disabilities - part-time	<u>87,292</u>	<u>(6,543)</u>	<u>80,749</u>	<u>53,161</u>	<u>27,588</u>
Total special education - instruction	<u>464,169</u>	<u>(46,260)</u>	<u>417,909</u>	<u>387,728</u>	<u>30,181</u>
Basic skills/remedial instruction:					
Salaries of teachers	103,213	40,585	143,798	143,754	44
General supplies	250	160	410	368	42
Other objects	450		450	73	377
Total basic skills/remedial instruction	<u>103,913</u>	<u>40,745</u>	<u>144,658</u>	<u>144,195</u>	<u>463</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-spon. cocurricular activities - instruction:					
Salaries	9,000	4,072	13,072	3,253	9,819
General supplies	250	175	425	425	
Other objects	750		750	392	358
Total school-spon. cocurricular activities - instruction	10,000	4,247	14,247	4,070	10,177
Total instructions	1,914,333	7,541	1,921,874	1,851,551	70,323
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	18,000	(11,955)	6,045		6,045
Tuition to CSSD & regional day schools	40,600	40,000	80,600	79,580	1,020
Tuition to private schools for the disabled - within state	104,870	(40,000)	64,870	63,754	1,116
Total undistributed expenditures - instruction	163,470	(11,955)	151,515	143,334	8,181
Undistributed expenditures - attendance & social work:					
Salaries	8,000	1,321	9,321	7,958	1,363
Purchased professional - technical services	5,000		5,000	1,296	3,704
General supplies	250		250		250
Total undistributed expenditures - attendance & social work	13,250	1,321	14,571	9,254	5,317
Undistributed expenditures - health services:					
Salaries	61,329	8,125	69,454	67,321	2,133
Purchased professional - technical services	2,200	2,108	4,308	4,308	
Supplies and materials	2,900		2,900	1,506	1,394
Other objects	400	4	404	357	47
Total undistributed expenditures - health services	66,829	10,237	77,066	73,492	3,574

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - speech, OT, PT & related services:					
Salaries	86,991	630	87,621	87,511	110
Purchased professional - educational services	80,000	(26,034)	53,966	40,828	13,138
Supplies and materials	800		800	448	352
Total undistributed expenditures - speech, OT, PT & related services	167,791	(25,404)	142,387	128,787	13,600
Undistributed expenditures - extraordinary:					
Salaries		4,326	4,326	4,326	
Purchased professional - educational services	52,000		52,000		52,000
Supplies and materials	500		500	359	141
Total undistributed expenditures - extraordinary	52,500	4,326	56,826	4,685	52,141
Undistributed expenditures - guidance services:					
Salaries of other professional staff	33,701		33,701	33,701	
Purchased professional - educational services	2,000		2,000		2,000
Purchased professional - technical services	1,000		1,000		1,000
Supplies and materials	300		300		300
Other objects	200	95	295	295	
Total undistributed expenditures - guidance services	37,201	95	37,296	33,996	3,300
Undistributed expenditures - child study team:					
Purchased professional - educational services	72,000		72,000	70,204	1,796
Total undistributed expenditures - child study team	72,000		72,000	70,204	1,796
Undistributed expenditures - improvement of inst. services:					
Purchased professional - educational services	35,000		35,000	33,770	1,230
Other purchased services	4,500		4,500	4,038	462
Total undistributed expenditures - improvement of inst. services	39,500		39,500	37,808	1,692

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - edu. media serv./school library:					
Salaries	51,145		51,145	4,161	46,984
Purchased professional - educational services	575		575		575
Supplies and materials	6,200		6,200	4,959	1,241
Total undist. expend. - edu. media serv./school library	<u>57,920</u>		<u>57,920</u>	<u>9,120</u>	<u>48,800</u>
Undist. expend. - instructional staff training					
Other purchased services	2,000		2,000		2,000
Supplies and materials	4,000		4,000		4,000
Other objects	5,425		5,425	516	4,909
Total undist. expend. - instructional staff training	<u>11,425</u>		<u>11,425</u>	<u>516</u>	<u>10,909</u>
Undist. expend. - supp. serv. - general administration:					
Salaries	154,989	1,630	156,619	153,289	3,330
Legal services	4,000	1,672	5,672	5,672	
Audit fees	10,500		10,500	9,245	1,255
Other purchased professional services	5,000	(2,769)	2,231	1,313	918
Communications/telephone	12,000	(8,151)	3,849	1,267	2,582
Other purchased services	5,250		5,250	2,989	2,261
Miscellaneous purchased services	5,000	(1,672)	3,328	1,059	2,269
General supplies	3,000		3,000	1,786	1,214
Miscellaneous expenditures	2,800		2,800	1,690	1,110
BOE membership dues and fees	3,000		3,000	2,480	520
Total undist. expend. - supp. serv. - general administration	<u>205,539</u>	<u>(9,290)</u>	<u>196,249</u>	<u>180,790</u>	<u>15,459</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - supp. serv. - school administration:					
Salaries of secretarial and clerical assistants	41,081	180	41,261	41,241	20
Supplies and materials	2,000	(80)	1,920	773	1,147
Other objects	500	(100)	400		400
Total undist. expend. - supp. serv. - school administration	43,581		43,581	42,014	1,567
Undist. expend. - central services:					
Purchased professional services	74,000	12,990	86,990	86,990	
Purchased technical services		4,700	4,700	4,700	
Supplies and materials	500		500	323	177
Miscellaneous expenditures	250		250	13	237
Total undist. expend. - central services	74,750	17,690	92,440	92,026	414
Undist. expend. - required maintenance for school facilities:					
Salaries	11,250	2,454	13,704	13,704	
Cleaning, repair, and maintenance services	37,000	(1,735)	35,265	13,024	22,241
General supplies	5,000		5,000	179	4,821
Other objects		1,144	1,144	1,144	
Total undist. expend - required maintenance for school facilities	53,250	1,863	55,113	28,051	27,062

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - custodial services:					
Salaries	65,000	5,635	70,635	63,795	6,840
Purchased professional and technical services	6,000		6,000	1,269	4,731
Cleaning, repair and maintenance services	12,000	(8,750)	3,250	305	2,945
Other purchased property services	13,000		13,000	8,269	4,731
Insurance	21,000		21,000	18,849	2,151
General supplies	21,000		21,000	20,648	352
Energy (electricity)	65,000		65,000	48,016	16,984
Salaries of non-instructional aides	4,500	398	4,898	4,898	
Miscellaneous expenses		43	43	43	
Total undist. expend. - custodial services	207,500	(2,674)	204,826	166,092	38,734
Undist. expend. - student transportation services:					
Management fees - ESC & CTSA	50		50		50
Contract services (sp. ed. students) joint agreements	85,000		85,000	34,330	50,670
Contract services - aid in lieu of payments	2,500		2,500	23	2,477
Total undist. expend. - student transportation services	87,550		87,550	34,353	53,197

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Social security contributions	56,000		56,000	38,610	17,390
Other retirement contributions - PERS	41,000		41,000	27,571	13,429
Unemployment compensation	12,000		12,000	6,755	5,245
Workmen's compensation	16,000		16,000	15,009	991
Health benefits	477,927		477,927	432,777	45,150
Tuition reimbursement	17,000		17,000	2,010	14,990
Other employee benefits	18,000		18,000	9,505	8,495
Total unallocated benefits - employee benefits	<u>637,927</u>		<u>637,927</u>	<u>532,237</u>	<u>105,690</u>
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				184,523	(184,523)
On-behalf TPAF OPEB (post-retirement medical) contrib. (non-budgeted)				153,749	(153,749)
On-behalf TPAF long term disability (non-budgeted)				259	(259)
Reimbursed TPAF social security contributions (non-budgeted)				130,966	(130,966)
Total on-behalf contributions				<u>469,497</u>	<u>(469,497)</u>
Total personal services - employee benefits	<u>637,927</u>		<u>637,927</u>	<u>1,001,734</u>	<u>(363,807)</u>
Total undistributed expenditures	<u>1,991,983</u>	<u>(13,791)</u>	<u>1,978,192</u>	<u>2,056,256</u>	<u>(78,064)</u>
Total general current expense	<u>3,906,316</u>	<u>(6,250)</u>	<u>3,900,066</u>	<u>3,907,807</u>	<u>(7,741)</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Custodial services:					
Equipment		6,250	6,250	6,250	
Total custodial services		<u>6,250</u>	<u>6,250</u>	<u>6,250</u>	
Facilities acquisitions and construction services:					
Capital improvements	54,000		54,000	2,930	51,070
Assessment for debt service	494		494	494	
Total facilities acquisitions and construction services	<u>54,494</u>		<u>54,494</u>	<u>3,424</u>	<u>51,070</u>
Total capital outlay	<u>54,494</u>	<u>6,250</u>	<u>60,744</u>	<u>9,674</u>	<u>51,070</u>
Total expenditures	<u>3,960,810</u>		<u>3,960,810</u>	<u>3,917,481</u>	<u>43,329</u>
Excess (deficiency) of revenues over (under) expenditures	(317,342)		(317,342)	225,436	542,778
Operating transfer out:					
Prior year receivables canceled				(1,651)	(1,651)
Total other financing sources				<u>(1,651)</u>	<u>(1,651)</u>
Excess (deficiency) of revenues and other financing sources					
Over (under) expenditures and other financing sources (uses)	(317,342)		(317,342)	223,785	541,127
Fund balance - July 1	946,089		946,089	946,089	
Fund balance - June 30	<u>\$ 628,747</u>		<u>\$ 628,747</u>	<u>\$ 1,169,874</u>	<u>\$ 541,127</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 150,005	
Excess surplus - designated for subsequent year's expenditures				369,852	
Excess surplus - current year				377,950	
Assigned fund balance:					
Designated for year end encumbrances				13,177	
Designated for subsequent year's expenditures				8,890	
Unassigned fund balance				250,000	
				<u>1,169,874</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(93,048)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,076,826</u>	

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 341,743		\$ 341,743	\$ 308,024	33,719
Federal sources	221,056		221,056	123,998	\$ 97,058
Total revenues	<u>\$ 562,799</u>		<u>\$ 562,799</u>	<u>\$ 432,022</u>	<u>\$ 130,777</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 20,900		\$ 20,900	\$ 19,525	\$ 1,375
Purchased professional - technical services	274,197		274,197	240,703	33,494
Other purchased services	22,422		22,422	22,197	225
Tuition	29,971		29,971	23,666	6,305
General supplies	21,226		21,226	10,596	10,630
Total instruction	<u>368,716</u>		<u>368,716</u>	<u>316,687</u>	<u>52,029</u>
Support services:					
Salaries					
Personal services - employee benefits	5,434		5,434	5,434	
Purchased professional - educational services	139,686		139,686	67,635	72,051
Purchased professional - technical services	13,953		13,953	7,256	6,697
Other purchased services	35,010		35,010	35,010	
Total support services	<u>194,083</u>		<u>194,083</u>	<u>115,335</u>	<u>78,748</u>
Total expenditures	<u>\$ 562,799</u>		<u>\$ 562,799</u>	<u>\$ 432,022</u>	<u>\$ 130,777</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

WOODBURY HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 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	\$ 4,142,917	\$ 432,022
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP purposes in the current year, previously recognized for budgetary purposes.	91,164	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(93,048)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds	\$ 4,141,033	\$ 432,022
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 3,917,481	\$ 432,022
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds	\$ 3,917,481	\$ 432,022

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Three Fiscal Years

	Fiscal Year Ended		
	June 30, 2015	June 30, 2016	June 30, 2017
District's proportion of the net pension liability (asset)	0.0033864008%	0.0028139008%	0.0024505122%
District's proportionate share of the net pension liability (asset)	\$ 634,027	\$ 631,664	\$ 725,771
District's covered- employee payroll	170,480	142,882	164,593
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	371.91%	442.09%	440.95%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Three Fiscal Years

	Fiscal Year Ended		
	June 30, 2015	June 30, 2016	June 30, 2017
Contractually required contribution	\$ 27,917	\$ 24,192	\$ 21,770
Contributions in relation to the contractually required contribution	27,917	24,192	21,770
Contribution deficiency (excess)	None	None	None
District's covered-employee payroll	\$ 170,480	\$ 142,882	\$ 164,593
Contributions as a percentage of covered-employee payroll	16.38%	16.93%	13.23%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Three Fiscal Years

	Fiscal Year Ended		
	June 30, 2015	June 30, 2016	June 30, 2017
District's proportion of the net pension liability (asset)	0.0149676783%	0.0164350693%	0.0163411855%
District's proportionate share of the net pension liability (asset)	\$ 7,618,675	\$ 10,387,666	\$ 12,855,017
District's covered-employee payroll	1,642,322	1,705,841	1,678,730
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	463.90%	608.95%	765.76%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016

The data in the above schedule represents the allocation of the State of New Jersey's obligation *on behalf* of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

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

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Tables for male and female active participants. For local employees, mortality tables are setback 2 years for males and 7 years for females. In addition, the table provides 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 (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using 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-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Total Brought Forward (Exhibit E-1a)	Title I	Title II Part A	IDEA Basic	IDEA Preschool	Total
REVENUES:						
Federal sources		\$ 25,441	\$ 3,876	\$ 91,301	\$ 3,380	\$ 123,998
State sources	\$ 308,024					308,024
Total revenues	<u>\$ 308,024</u>	<u>\$ 25,441</u>	<u>\$ 3,876</u>	<u>\$ 91,301</u>	<u>\$ 3,380</u>	<u>\$ 432,022</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers		\$ 19,525				\$ 19,525
Purchased professional - technical services	\$ 240,703					240,703
Other purchased services	22,197					22,197
General supplies	10,114	482				10,596
Tuition				\$ 23,666		23,666
Total instruction	<u>273,014</u>	<u>20,007</u>		<u>23,666</u>		<u>316,687</u>
Support services:						
Personal services - employees benefits		5,434				5,434
Purchased professional - educational services				67,635		67,635
Purchased professional - technical services			3,876		3,380	7,256
Other purchased services	35,010					35,010
Total support services	<u>35,010</u>	<u>5,434</u>	<u>3,876</u>	<u>67,635</u>	<u>3,380</u>	<u>115,335</u>
Total expenditures	<u>\$ 308,024</u>	<u>\$ 25,441</u>	<u>\$ 3,876</u>	<u>\$ 91,301</u>	<u>\$ 3,380</u>	<u>\$ 432,022</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Total Brought Forward (Exhibit E-1b)	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security Aid	Total Carried Forward
REVENUES:						
State sources	\$ 215,404	\$ 22,197	\$ 35,010	\$ 10,114	\$ 25,299	\$ 308,024
Total revenues	<u>\$ 215,404</u>	<u>\$ 22,197</u>	<u>\$ 35,010</u>	<u>\$ 10,114</u>	<u>\$ 25,299</u>	<u>\$ 308,024</u>
EXPENDITURES:						
Instruction:						
Purchased professional technical services	\$ 215,404				\$ 25,299	\$ 240,703
General supplies				\$ 10,114		10,114
Textbooks		\$ 22,197				22,197
Other objects						
Total instruction	<u>215,404</u>	<u>22,197</u>		<u>10,114</u>	<u>25,299</u>	<u>273,014</u>
Support services:						
Other purchased services			\$ 35,010			35,010
Total support services			<u>35,010</u>			<u>35,010</u>
Total expenditures	<u>\$ 215,404</u>	<u>\$ 22,197</u>	<u>\$ 35,010</u>	<u>\$ 10,114</u>	<u>\$ 25,299</u>	<u>\$ 308,024</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Non-public Handicapped Services			Non-public Auxiliary Services		Total Carried Forward
	Corr. Speech	Exam & Class	Supp. Inst.	Comp. Ed.	Transp.	
REVENUES:						
State sources	\$ 64,230	\$ 46,467	\$ 24,246	\$ 67,543	\$ 12,918	\$ 215,404
Total revenues	<u>\$ 64,230</u>	<u>\$ 46,467</u>	<u>\$ 24,246</u>	<u>\$ 67,543</u>	<u>\$ 12,918</u>	<u>\$ 215,404</u>
EXPENDITURES:						
Instruction:						
Purchased professional - technical services	\$ 64,230	\$ 46,467	\$ 24,246	\$ 67,543	\$ 12,918	\$ 215,404
Total instruction	<u>64,230</u>	<u>46,467</u>	<u>24,246</u>	<u>67,543</u>	<u>12,918</u>	<u>215,404</u>
Total expenditures	<u>\$ 64,230</u>	<u>\$ 46,467</u>	<u>\$ 24,246</u>	<u>\$ 67,543</u>	<u>\$ 12,918</u>	<u>\$ 215,404</u>

CAPITAL PROJECTS FUND

WOODBURY HEIGHTS SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2017

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2017
			Prior Years	Current Year	
Roofing & HVAC Project	9/4/2010	\$ 629,194	\$ 577,205	None	\$ 51,989

WOODBURY HEIGHTS SCHOOL DISTRICT
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budgetary Basis
For the Year Ended June 30, 2017

Fund balance - beginning	\$ 29,933
Fund balance - ending	<u>\$ 29,933</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Roofing and HVAC Project
 From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Period	Totals	Revised Authorized Costs
Revenues and other financing sources:				
State sources - SDA grant	\$ 251,678		\$ 251,678	\$ 251,678
Bond proceeds and transfers	377,516		377,516	377,516
Total revenues	<u>629,194</u>		<u>629,194</u>	<u>629,194</u>
Expenditures and other financing uses:				
Legal services				
Audit fees				
Architect/engineer services				
Other professional services	43,015		43,015	42,579
Purchased technical services				
Construction services	534,190		534,190	586,615
Miscellaneous purchased services				
Miscellaneous expenses				
Total expenditures	<u>577,205</u>		<u>577,205</u>	<u>629,194</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ 51,989</u>		<u>\$ 51,989</u>	
Additional project information:				
Project number		050-10-1002, 5870-		
Grant date/letter of notification		050-10-1001		
Bond authorization/referendum date		9/7/2010		
Bonds authorized		2/8/2011		
Bonds issued		\$ 377,516		
Original project authorized cost		377,516		
Percentage completion		629,194		
Original target completion date		92%		
Revised target completion date		8/12/2011		
		6/30/2017		

PROPRIETARY FUNDS

WOODBURY HEIGHTS SCHOOL DISTRICT
 Enterprise Fund
 Combining Schedule of Net Position
 For the Fiscal Year Ended June 30, 2017

	Project Safekeep
ASSETS	
Cash and cash equivalents	\$ 27,446
NET POSITION	
Unrestricted	\$ 27,446

WOODBURY HEIGHTS SCHOOL DISTRICT
 Enterprise Fund
 Combining Schedule of Revenues, Expenses,
 and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	<u>Project Safekeep</u>
Operating revenues:	
Fees	<u>\$ 51,046</u>
Operating expenses:	
Other salaries	40,260
Other objects	<u>3,239</u>
Total operating expenses	<u>43,499</u>
Operating income (loss)	7,547
Total net position - beginning	<u>19,899</u>
Total net position - ending	<u><u>\$ 27,446</u></u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Enterprise Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Project Safekeep
Cash flows from operating activities:	
Receipts	\$ 51,046
Payments to employees	(40,260)
Payments to suppliers	(3,239)
	7,547
Net cash provided by (used for) operating activities	7,547
Balance - beginning of year	19,899
Balance - end of year	\$ 27,446
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 7,547
Net cash provided by (used for) operating activities	\$ 7,547

FIDUCIARY FUNDS

WOODBURY HEIGHTS SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Total 2017</u>
ASSETS			
Cash and cash equivalents	\$ 10,881	\$ 26,740	\$ 37,621
Total assets	<u>\$ 10,881</u>	<u>\$ 26,740</u>	<u>\$ 37,621</u>
LIABILITIES			
Payroll deductions and withholdings		\$ 26,732	\$ 26,732
Due to student groups	\$ 10,879		10,879
Interfund payable	2	8	10
Total liabilities	<u>\$ 10,881</u>	<u>\$ 26,740</u>	<u>\$ 37,621</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
SCHOOLS:				
Elementary School	\$ 15,244	\$ 5,683	\$ 10,048	\$ 10,879
Interfund payable		32	30	2
Total liabilities	<u>\$ 15,244</u>	<u>\$ 5,715</u>	<u>\$ 10,078</u>	<u>\$ 10,881</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
ASSETS				
Cash and cash equivalents	\$ 20,123	\$ 2,520,702	\$ 2,514,085	\$ 26,740
Total assets	<u>\$ 20,123</u>	<u>\$ 2,520,702</u>	<u>\$ 2,514,085</u>	<u>\$ 26,740</u>
LIABILITIES				
Accrued salaries and wages		\$ 1,458,696	\$ 1,458,696	
Payroll deductions and withholdings	\$ 20,035	1,061,911	1,055,214	\$ 26,732
Interfund payable	88	95	175	8
Total liabilities	<u>\$ 20,123</u>	<u>\$ 2,520,702</u>	<u>\$ 2,514,085</u>	<u>\$ 26,740</u>

LONG-TERM DEBT

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2016	Retired	Balance June 30, 2017
			Date	Amount				
2011 General Obligation Bonds	3/1/2011	\$ 377,516	3/1/2018-21	\$ 25,000	3.85%			
			3/1/2022-24	30,000	3.85%			
			3/1/2025	33,000	3.85%			
			3/1/2026	34,516	3.85%	\$ 277,516	\$ 20,000	\$ 257,516

WOODBURY HEIGHTS SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 30,684		\$ 30,684	\$ 30,684	
Total revenues	<u>30,684</u>		<u>30,684</u>	<u>30,684</u>	
EXPENDITURES:					
Regular debt service:					
Interest	10,684		10,684	10,684	
Redemption of principal	20,000		20,000	20,000	
Total expenditures	<u>30,684</u>		<u>30,684</u>	<u>30,684</u>	
Excess (deficiency) of revenue over (under) expenditures					
Fund balance - beginning	<u>2</u>		<u>2</u>	<u>2</u>	
Fund balance - ending	<u><u>\$ 2</u></u>		<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>	

STATISTICAL SECTION
(Unaudited)

WOODBURY HEIGHTS SCHOOL DISTRICT
Statistical Section

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	100-105
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	106-109
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	110-113
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	114-115
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	116-120

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting District-wide information include information beginning in that year.

WOODBURY HEIGHTS SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Invested in capital assets, net of related debt	\$ 382,051	\$ 304,751	\$ 326,275	\$ 138,380	\$ 513,540	\$ 470,331	\$ 462,641	\$ 299,782	\$ 364,571	\$ 319,239
Restricted	5,134	13,332	8,554	143,574	291,867	510,881	545,418	646,857	717,135	927,592
Unrestricted	147,726	153,443	123,357	143,630	199,609	119,862	125,757	(536,969)	(519,583)	(501,995)
Total governmental activities net position	<u>\$ 534,911</u>	<u>\$ 471,526</u>	<u>\$ 458,186</u>	<u>\$ 425,584</u>	<u>\$ 1,005,016</u>	<u>\$ 1,101,074</u>	<u>\$ 1,133,816</u>	<u>\$ 409,670</u>	<u>\$ 562,123</u>	<u>\$ 744,836</u>
Business-type activities:										
Unrestricted	\$ 51,272	\$ 48,367	\$ 24,790	\$ 23,079	\$ 15,558	\$ 14,125	\$ 16,718	\$ 12,936	\$ 19,899	\$ 27,446
Total governmental activities net position	<u>\$ 51,272</u>	<u>\$ 48,367</u>	<u>\$ 24,790</u>	<u>\$ 23,079</u>	<u>\$ 15,558</u>	<u>\$ 14,125</u>	<u>\$ 16,718</u>	<u>\$ 12,936</u>	<u>\$ 19,899</u>	<u>\$ 27,446</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 382,051	\$ 304,751	\$ 326,275	\$ 138,380	\$ 513,540	\$ 470,331	\$ 462,641	\$ 299,782	\$ 364,571	\$ 319,239
Restricted	5,134	13,332	8,554	143,574	291,867	510,881	545,418	646,857	717,135	927,592
Unrestricted	198,998	201,810	148,147	166,709	215,167	133,987	142,475	(524,033)	(499,684)	(474,549)
Total District-wide net position	<u>\$ 586,183</u>	<u>\$ 519,893</u>	<u>\$ 482,976</u>	<u>\$ 448,663</u>	<u>\$ 1,020,574</u>	<u>\$ 1,115,199</u>	<u>\$ 1,150,534</u>	<u>\$ 422,606</u>	<u>\$ 582,022</u>	<u>\$ 772,282</u>

Source: District records

WOODBURY HEIGHTS SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,354,913	\$ 1,391,428	\$ 1,396,781	\$ 1,433,767	\$ 1,391,478	\$ 1,413,653	\$ 1,472,220	\$ 1,472,531	\$ 1,575,644	\$ 1,620,711
Special education	288,694	285,630	296,012	314,714	277,620	352,552	367,099	398,205	420,289	387,728
Other instruction	136,636	124,960	135,262	137,217	140,180	139,427	144,123	153,257	143,946	148,265
Support services:										
Tuition	226,951	224,292	289,676	306,900	215,054	226,191	207,478	198,713	106,165	143,334
Student & instructional related services	393,474	407,064	504,150	482,257	461,773	476,964	503,894	503,262	524,576	483,197
School administration services	46,953	45,025	46,006	48,270	50,144	49,713	39,618	39,530	40,507	180,790
General & business administrative services	262,817	264,603	258,360	286,863	270,402	279,729	258,518	258,508	264,200	134,040
Plant operations & maintenance	189,743	190,042	180,754	173,644	180,567	166,885	207,719	193,533	209,533	194,143
Pupil transportation	80,643	88,168	86,186	121,188	91,679	117,933	66,622	79,118	47,575	34,353
Employee benefits	797,650	577,449	597,103	596,046	618,684	732,194	723,230	1,222,139	2,699,857	1,016,922
Interest on long-term debt				5,463	14,637	13,507	12,738	11,968	11,198	10,684
Capital outlay						493	494	494	1,103	9,674
Unallocated depreciation	45,638	40,380	42,381	41,460	38,008	38,008	38,008	121,669	64,503	65,333
Total governmental activities expenses	<u>3,824,112</u>	<u>3,639,041</u>	<u>3,832,671</u>	<u>3,947,789</u>	<u>3,750,226</u>	<u>4,007,249</u>	<u>4,041,761</u>	<u>4,652,927</u>	<u>6,109,096</u>	<u>4,429,174</u>
Business-type activities:										
Latchkey	41,176	37,623	53,643	34,764	48,966	44,283	41,572	52,605	43,316	43,499
Total business-type activities expenses	<u>41,176</u>	<u>37,623</u>	<u>53,643</u>	<u>34,764</u>	<u>48,966</u>	<u>44,283</u>	<u>41,572</u>	<u>52,605</u>	<u>43,316</u>	<u>43,499</u>
Total District-wide expenses	<u>\$ 3,865,288</u>	<u>\$ 3,676,664</u>	<u>\$ 3,886,314</u>	<u>\$ 3,982,553</u>	<u>\$ 3,799,192</u>	<u>\$ 4,051,532</u>	<u>\$ 4,083,333</u>	<u>\$ 4,705,532</u>	<u>\$ 6,152,412</u>	<u>\$ 4,472,673</u>
Program revenues:										
Governmental activities:										
Operating grants & contributions	\$ 838,693	\$ 651,277	\$ 710,099	\$ 733,149	\$ 687,455	\$ 733,250	\$ 692,295	\$ 1,184,439	\$ 2,604,623	\$ 432,022
Total governmental activities program revenues	<u>838,693</u>	<u>651,277</u>	<u>710,099</u>	<u>733,149</u>	<u>687,455</u>	<u>733,250</u>	<u>692,295</u>	<u>1,184,439</u>	<u>2,604,623</u>	<u>432,022</u>
Business-type activities:										
Charges for services:										
Latchkey	36,794	34,718	30,066	33,054	41,445	42,850	44,166	48,823	50,279	51,046
Total business-type activities revenues	<u>36,794</u>	<u>34,718</u>	<u>30,066</u>	<u>33,054</u>	<u>41,445</u>	<u>42,850</u>	<u>44,166</u>	<u>48,823</u>	<u>50,279</u>	<u>51,046</u>
Total District program revenues	<u>\$ 875,487</u>	<u>\$ 685,995</u>	<u>\$ 740,165</u>	<u>\$ 766,203</u>	<u>\$ 728,900</u>	<u>\$ 776,100</u>	<u>\$ 736,461</u>	<u>\$ 1,233,262</u>	<u>\$ 2,654,902</u>	<u>\$ 483,068</u>
Net (expense)/revenue:										
Governmental activities	\$ (2,985,419)	\$ (2,987,764)	\$ (3,122,572)	\$ (3,214,640)	\$ (3,062,771)	\$ (3,273,999)	\$ (3,349,466)	\$ (3,468,488)	\$ (3,504,473)	\$ (3,997,152)
Business-type activities	(4,382)	(2,905)	(23,577)	(1,710)	(7,521)	(1,433)	2,594	(3,782)	6,963	7,547
Total District-wide net expense	<u>\$ (2,989,801)</u>	<u>\$ (2,990,669)</u>	<u>\$ (3,146,149)</u>	<u>\$ (3,216,350)</u>	<u>\$ (3,070,292)</u>	<u>\$ (3,275,432)</u>	<u>\$ (3,346,872)</u>	<u>\$ (3,472,270)</u>	<u>\$ (3,497,510)</u>	<u>\$ (3,989,605)</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues & other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes	\$ 1,740,439	\$ 1,919,233	\$ 2,016,745	\$ 2,220,314	\$ 2,299,254	\$ 2,310,014	\$ 2,356,214	\$ 2,428,043	\$ 2,536,529	\$ 2,622,960
Taxes levied for debt service						33,765	32,995	32,225	31,455	30,684
Federal and state aid restricted	1,039,940	1,002,608	1,063,928	1,161,124	982,234	990,765	1,006,791	983,068	1,012,187	1,470,119
Tuition received					21,460	16,478		18,000	13,000	40,450
Miscellaneous income	23,000	2,100	31,274	55,814	3,472	6,927	1,170	386	6,219	4,092
Investment earnings	15,325	2,092	1,568	4,287	6,262	5,185	1,913	2,083	2,511	3,412
Prior year (receivable) payable canceled						3,004				(1,651)
Contracts payable				(229,884)	327,962				58,098	
Prior period adjustment							(20,796)	(77,546)	(4,449)	
Total governmental activities	<u>2,818,704</u>	<u>2,926,033</u>	<u>3,113,515</u>	<u>3,211,655</u>	<u>3,640,644</u>	<u>3,366,138</u>	<u>3,378,287</u>	<u>3,386,259</u>	<u>3,655,550</u>	<u>4,170,066</u>
Total District-wide	<u>\$ 2,818,704</u>	<u>\$ 2,926,033</u>	<u>\$ 3,113,515</u>	<u>\$ 3,211,655</u>	<u>\$ 3,640,644</u>	<u>\$ 3,366,138</u>	<u>\$ 3,378,287</u>	<u>\$ 3,386,259</u>	<u>\$ 3,655,550</u>	<u>\$ 4,170,066</u>
Change in net position:										
Governmental activities	\$ (166,715)	\$ (61,731)	\$ (9,057)	\$ (2,985)	\$ 577,873	\$ 92,139	\$ 28,821	\$ (82,229)	\$ 151,077	\$ 172,914
Business-type activities	(4,382)	(2,905)	(23,577)	(1,710)	(7,521)	(1,433)	2,594	(3,782)	6,963	7,547
Total District	<u>\$ (171,097)</u>	<u>\$ (64,636)</u>	<u>\$ (32,634)</u>	<u>\$ (4,695)</u>	<u>\$ 570,352</u>	<u>\$ 90,706</u>	<u>\$ 31,415</u>	<u>\$ (86,011)</u>	<u>\$ 158,040</u>	<u>\$ 180,461</u>

Source: District records

WOODBURY HEIGHTS SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:										
Restricted				\$ 5	\$ 236,422	\$ 435,979	\$ 497,533	\$ 611,018	\$ 682,889	\$ 897,807
Assigned				77,832	78,461	22,912	16,685	4,643	4,305	22,067
Unassigned				116,802	170,961	162,041	163,759	149,880	167,726	156,952
Reserved	\$ 5,134	\$ 13,332	\$ 8,554							
Unreserved	182,992	153,442	164,559							
Total general fund	<u>\$ 188,126</u>	<u>\$ 166,774</u>	<u>\$ 173,113</u>	<u>\$ 194,639</u>	<u>\$ 485,844</u>	<u>\$ 620,932</u>	<u>\$ 677,977</u>	<u>\$ 765,541</u>	<u>\$ 854,920</u>	<u>\$1,076,826</u>
All other governmental funds:										
Restricted				\$ 140,737	\$ 51,989	\$ 51,989	\$ 31,194	\$ 31,194	\$ 29,933	\$ 29,933
Assigned						1	1	2	3	2
Total all other governmental funds				<u>\$ 140,737</u>	<u>\$ 51,989</u>	<u>\$ 51,990</u>	<u>\$ 31,195</u>	<u>\$ 31,196</u>	<u>\$ 29,936</u>	<u>\$ 29,935</u>

Source: District records

WOODBURY HEIGHTS SCHOOL DISTRICT
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Tax levy	\$ 1,740,439	\$ 1,919,233	\$ 2,016,745	\$ 2,220,314	\$2,299,254	\$ 2,343,779	\$ 2,389,209	\$2,460,268	\$ 2,567,984	\$ 2,653,644
Tuition charges					21,460	16,478		18,000	13,000	40,450
Interest earnings	15,325	2,092	1,568	4,287	6,262		1,913	2,038	2,511	3,412
Miscellaneous	23,000	2,100	31,274	55,814	3,472	12,111	1,170	386	6,219	4,092
State sources	1,760,066	1,524,188	1,440,704	1,430,469	1,489,888	1,594,707	1,564,360	1,642,086	1,710,518	1,778,143
Federal sources	118,567	129,696	333,323	212,127	179,746	129,307	134,726	124,304	140,409	123,998
Total revenue	3,657,397	3,577,309	3,823,614	3,923,011	4,000,082	4,096,382	4,091,378	4,247,082	4,440,641	4,603,739
Expenditures:										
Instruction:										
Regular instruction	1,354,913	1,391,428	1,396,781	1,433,767	1,391,478	1,413,653	1,472,220	1,472,531	1,575,644	1,632,245
Special education instruction	288,694	285,630	296,012	314,714	277,620	352,552	367,099	398,205	420,289	387,728
Other instruction	136,636	124,960	135,262	137,217	140,180	139,427	144,123	153,257	143,946	148,265
Support services:										
Tuition	226,951	224,292	289,676	306,900	215,054	226,191	207,478	198,713	106,165	143,334
Student & instruction related services	393,474	407,064	504,150	482,257	461,773	476,964	503,894	503,262	524,576	483,197
School administrative services	46,953	45,025	46,006	48,270	50,144	49,713	39,618	39,530	40,507	180,790
Other administrative services	262,817	264,603	258,360	286,863	270,402	279,729	258,518	258,508	264,200	134,040
Plant operations & maintenance	189,743	190,042	180,754	173,644	180,567	166,885	207,719	193,533	209,533	194,143
Pupil transportation	80,643	88,168	86,186	121,188	91,679	117,933	66,622	79,118	47,575	34,353
Employee benefits	797,650	577,449	597,103	596,046	618,684	732,194	723,230	813,790	931,881	1,001,734
Capital outlay	48,856		26,986	28,111	91,185	493	35,565	9,290	52,298	9,674
Debt services:										
Principal					20,000	20,000	20,000	20,000	20,000	20,000
Interest					14,534	13,764	12,994	12,224	11,454	10,684
Total expenditures	3,827,330	3,598,661	3,817,276	3,928,977	3,823,300	3,989,498	4,059,080	4,151,961	4,348,068	4,380,187
Excess (deficiency) of revenues over (under) expenditures	(169,933)	(21,352)	6,338	(5,966)	176,782	106,884	32,298	95,121	92,573	223,552
Other financing sources (uses):										
Prior period adjustment				27,493		3,004	(20,796)		(4,449)	
Total other financing sources (uses)				27,493		3,004	(20,796)		(4,449)	
Net change in fund balance	\$ (169,933)	\$ (21,352)	\$ 6,338	\$ 21,527	\$ 176,782	\$ 109,888	\$ 11,502	\$ 95,121	\$ 88,124	\$ 223,552
Debt service as a percentage of noncapital expenditures					0.93%	0.85%	0.83%	0.78%	0.74%	0.71%

Source: District records

WOODBURY HEIGHTS SCHOOL DISTRICT
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Homeless Tuition	Tuition	Interest on Investments	Miscellaneous	Annual Totals
2008		\$ 4,300	\$ 15,325	\$ 18,700	\$ 38,325
2009			2,092	3,472	5,564
2010			1,568	31,274	32,842
2011	\$ 29,234		4,287	26,580	60,101
2012			2,038	3,472	5,510
2013	16,478		5,185	6,927	28,590
2014			1,913	1,170	3,083
2015		18,000	2,038	386	20,424
2016		13,000	2,511	6,219	21,730
2017		40,450	3,412	4,092	47,954

Source: District records

WOODBURY HEIGHTS SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2008	3,095,900	151,837,500	29,895,900	8,911,800	507,200	194,248,300	325,845	194,574,145	267,884,350	0.894
2009	2,826,400	153,152,000	28,829,500	8,911,800	507,200	194,226,900	313,049	194,539,949	291,598,734	0.941
2010	2,494,600	153,800,500	28,775,200	8,911,800	507,200	194,489,300	309,055	194,798,355	308,981,124	1.011
2011	2,494,600	153,772,100	30,547,000	8,911,800	507,200	196,232,700	675,090	196,907,790	298,878,493	1.076
2012	2,492,600	153,714,000	32,844,000	7,411,800	507,200	196,969,600	483,976	197,453,576	305,915,129	1.143
2013	7,361,400	191,765,800	54,773,000	6,158,500	300,000	260,358,700	730,428	261,089,128	266,660,441	0.906
2014	7,266,700	191,390,700	50,974,700	6,167,800	300,000	256,099,900	657,377	256,757,277	260,980,707	0.944
2015	7,163,100	191,274,400	47,745,100	7,163,700	300,000	253,646,300	663,967	254,310,267	261,697,969	0.988
2016	7,078,400	191,407,600	47,045,400	7,234,700	300,000	253,066,100	661,277	253,727,377	264,568,430	1.029
2017	7,022,800	191,393,100	47,196,900	6,911,100	300,000	252,823,900	661,467	253,485,367	263,967,992	1.070

Source: Municipal Tax Assessor

WOODBURY HEIGHTS SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
(Rate Per \$100 of Assessed Value)
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Woodbury Heights School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Gateway High School Tax Rate	Borough of Woodbury Heights	Local Library		Gloucester County
2008	0.894	0.000	0.894	1.311	0.976		0.819	4.000
2009	0.941	0.000	0.941	1.355	1.075		0.888	4.259
2010	1.011	0.000	1.011	1.423	1.151		0.938	4.523
2011	1.076	0.000	1.076	1.447	1.206		0.897	4.626
2012	1.134	0.009	1.143	1.514	1.232		0.900	4.789
2013	0.893	0.013	0.906	1.16	1.021		0.659	3.746
2014	0.931	0.013	0.944	1.189	1.065		0.673	3.871
2015	0.975	0.013	0.988	1.234	1.103		0.720	4.045
2016	1.017	0.012	1.029	1.273	1.133		0.752	4.187
2017	1.058	0.012	1.070	1.320	1.158		0.750	4.298

Source: Municipal Tax Collector

WOODBURY HEIGHTS SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Oak Valley Plaza, Inc.	11,938,000	1	4.52%			
Woodbury Heights Development, LLC	3,300,000	2	1.25%			
Wawa, Inc.	2,555,500	3	0.97%			
HCD Realty, LLC	2,112,200	4	0.80%			
Balducci, Inc.	1,830,000	5	0.69%			
Genius One, LLC	1,557,600	6	0.59%	Information Not Available		
Heights Plaza, LLC	1,362,500	7	0.52%			
McDonald's Corporation	1,357,000	8	0.51%			
Jonathon Advisors, LTD Partnership	1,341,800	9	0.51%			
American Paper Box, LLC	1,322,400	10	0.50%			
	<u>28,677,000</u>		10.86%			

Source: Municipal Tax Assessor

WOODBURY HEIGHTS SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 1,740,439	\$ 1,740,439	100.00%	
2009	1,919,233	1,919,233	100.00%	
2010	2,016,745	2,016,745	100.00%	
2011	2,220,314	2,220,314	100.00%	
2012	2,299,254	2,299,254	100.00%	
2013	2,343,779	2,343,779	100.00%	
2014	2,389,204	2,389,204	100.00%	
2015	2,460,268	2,460,268	100.00%	
2016	2,567,984	2,567,984	100.00%	
2017	2,653,644	2,653,644	100.00%	

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

WOODBURY HEIGHTS SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BAN's)			
2008						0.00%	0
2009						0.00%	0
2010						0.00%	0
2011	\$ 377,516				\$ 377,516	0.29%	124
2012	357,516		\$ 21,278		378,794	0.28%	125
2013	337,516		14,643		352,159	0.26%	117
2014	317,516		7,561		325,077	0.23%	108
2015	297,516				297,516	0.20%	99
2016	277,516				277,516	N/A	92
2017	257,516				257,516	N/A	N/A

N/A - At the time of CAFR completion this data was not available.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2008				0.00%	
2009				0.00%	
2010				0.00%	
2011	\$ 377,516		\$ 377,516	0.19%	124
2012	357,516		357,516	0.18%	118
2013	337,516		337,516	0.13%	112
2014	317,516		317,516	0.12%	105
2015	297,516		297,516	0.12%	99
2016	277,516		277,516	0.11%	92
2017	257,516		257,516	0.10%	N/A

N/A - At the time of CAFR completion, this data was not available.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2017
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Woodbury Heights Borough (1)	\$ 257,716	100.00%	\$ 257,716
Gloucester County General Obligation Debt (2)	228,443,500	1.01%	2,307,279
Gateway Regional School District Debt (1)	5,500,000	29.00%	1,595,000
Subtotal, overlapping debt			4,159,995
Woodbury Heights - District direct debt			0
Total direct and overlapping debt			<u>\$ 4,159,995</u>

Sources:

- (1) Borough of Woodbury Heights annual debt statement
- (2) Gloucester County - The County's debt was apportioned to the Borough of Woodbury Heights by dividing the Borough's taxable assessed property values by the total taxable assessed property values for Gloucester County, which results in an apportionment rate of 0.97%.

* The source for this computation was the Abstract of Ratables.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

	<u>Equalized valuation basis</u>
2016	\$ 262,516,701
2015	263,446,510
2014	262,451,220
	<u>\$ 788,414,431</u>
Average equalized valuation of taxable property	<u>\$ 262,804,810</u>
Debt limit (2 1/2% of average equalized value)	\$ 6,570,120
Total net debt applicable to limit	<u>257,716</u>
Legal debt margin	<u>\$ 6,312,404</u>

	<u>Fiscal Year Ending June 30,</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 6,538,437	\$ 7,182,252	\$ 7,182,252	\$ 7,531,752	\$ 7,531,752	\$ 7,082,801	\$ 6,754,239	\$ 6,645,328	\$ 6,578,267	\$ 6,570,120
Total net debt applicable to limit	0	0	0	377,516	357,716	337,516	317,516	297,516	277,516	257,716
Legal debt margin	<u>\$ 6,538,437</u>	<u>\$ 7,182,252</u>	<u>\$ 7,182,252</u>	<u>\$ 7,154,236</u>	<u>\$ 7,174,036</u>	<u>\$ 6,745,285</u>	<u>\$ 6,436,723</u>	<u>\$ 6,347,812</u>	<u>\$ 6,300,751</u>	<u>\$ 6,312,404</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	5.01%	4.75%	4.77%	4.70%	4.48%	4.22%	3.92%

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

WOODBURY HEIGHTS SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2008	3,056	\$ 123,450,176	\$ 41,306	4.60%
2009	3,053	122,272,650	40,991	6.90%
2010	3,055	126,408,546	41,512	7.30%
2011	3,047	129,341,301	43,235	7.10%
2012	3,035	135,905,172	44,392	7.30%
2013	3,014	136,410,380	45,011	5.50%
2014	3,015	139,902,206	46,603	4.80%
2015	3,010	146,884,990	48,799	5.30%
2016	3,008	N/A	N/A	5.10%
2017	N/A	N/A	N/A	N/A

Source: Population and unemployment data provided by the NJ Department of Labor and Workforce Development.

Personal income has been estimated based upon the municipal population and per capita personal income presented.

Per capita personal income estimated based upon the Census published by the U.S. Bureau of Economic Analysis.

N/A - At the time of CAFR completion this data was not available.

* Represents information for Gloucester County.

WOODBURY HEIGHTS SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

Employer	2017			2008		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Inspira Health	1,825	1	N/A			
Kennedy Health Alliance	1,675	2	N/A			
Washington Township School District	1,607	3	N/A			
Rowan University	1,483	4	N/A			
County of Gloucester	1,384	5	N/A	Information Not Available		
Missa Bay LLC	950	6	N/A			
Monroe Township School District	804	7	N/A			
US Foodservices	725	8	N/A			
Exxon Mobil Research & Engineering	540	9	N/A			
LaBrea Bakery	525	10	N/A			
	11,518					

Source: Gloucester County Department of Economic Development and School District.

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

WOODBURY HEIGHTS SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	20	20	20	20	20	23	23	23	23	23
Special education	3	3	3	3	3	3	3	4	4	4
Support Services										
Student & instruction related services	2	2	2	2	2	2	2	2	2	2
General administration	1	1	0	0	0	1	1	1	1	1
Plants operations and maintenance	2	2	2	2	2	2	2	2	2	2
Other support services	1	1	1	1	1	2	2	2	2	2
Total	29	29	28	28	28	33	33	34	34	34

Source: District Personnel Records

WOODBURY HEIGHTS SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
2008	229	\$ 3,598,662	\$ 15,715	1.06%	23	9.96	233.4	223.7	-4.34%	96%
2009	241	3,790,291	15,727	0.08%	20	12.05	235.0	224.3	0.69%	95%
2010	236	3,900,867	16,529	5.10%	20	11.80	235.2	224.3	0.09%	95%
2011	221	3,706,439	16,771	1.46%	20	11.05	220.4	210.3	-6.29%	95%
2012	216	3,963,804	18,351	9.42%	20	10.80	217.7	208.1	-1.23%	96%
2013	230	3,998,762	17,386	-5.26%	23	10.00	223.5	213.2	2.66%	95%
2014	222	3,847,199	17,330	-0.32%	23	9.65	213.7	205.3	-4.38%	96%
2015	221	3,938,750	17,822	2.84%	27	8.19	220.3	209.6	3.09%	95%
2016	223	4,069,215	18,248	2.39%	27	8.26	224.2	213.5	1.77%	95%
2017	226	4,339,829	19,203	5.23%	27	8.37	226.2	215.1	0.87%	95%

Source: Enrollment based on annual October District count.

WOODBURY HEIGHTS SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Elementary										
Square Feet	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671
Capacity (students)	259	259	259	259	259	259	259	259	259	259
Enrollment	229	241	236	221	216	230	222	221	223	226

Number of Schools at June 30, 2017

 Elementary = 1

Source: District Office

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

* School Facilities	Gross Square Footage	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Elementary	32,671	\$ 18,346	\$ 20,160	\$ 19,831	\$ 19,489	\$ 20,442	\$ 17,581	\$ 46,715	\$ 25,827	\$ 47,892	\$ 28,051	\$ 264,334

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

Source: District records.

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

EXHIBIT K-1

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

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Woodbury Heights School District
100 Academy Avenue
Woodbury Heights, New Jersey 08097

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Woodbury Heights School District, in the County of Gloucester, 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 Woodbury Heights School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Woodbury Heights School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Woodbury Heights School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 30, 2017

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

EXHIBIT K-2

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

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Woodbury Heights School District
100 Academy Avenue
Woodbury Heights, New Jersey 08063

Report on Compliance for Each Major State Program

We have audited the Woodbury Heights School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Woodbury Heights School District's major state programs for the year ended June 30, 2017. Woodbury Heights School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Woodbury Heights School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those

standards, Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Woodbury Heights School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Woodbury Heights 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 our audit of compliance, we considered the Woodbury Heights School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Woodbury Heights School District's internal control over compliance.

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

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

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

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements Woodbury Heights School District as of and for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are 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 our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

November 30, 2017

WOODBURY HEIGHTS SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
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	Program or Award Amount	Grant Period		Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2017			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A160030	NCLB587017	\$ 36,446	7/1/16	6/30/17				\$ 25,441			\$ (25,441)			\$ 25,441
Title I, Part A	84.010A	S010A150030	NCLB587016	21,640	7/1/15	6/30/16	(5,866)		\$ 5,866							21,640
Title I, Part A	84.010A	S010A150030	NCLB587014	20,205	7/1/13	6/30/14	56								\$ 56	20,149
Title I, Part A	84.010A	S010A150030	NCLB587011	16,948	7/1/10	6/30/11	1,992								1,992	14,956
Title II- Part A	84.367A	S367A160029	NCLB587017	8,659	7/1/16	6/30/17				3,876			(3,876)			3,876
Title II- Part A	84.367A	S367A150029	NCLB587016	16,145	7/1/15	6/30/16	(9,514)		9,514							16,145
Title II- Part A	84.367A	S367A150029	NCLB587015	11,188	7/1/14	6/30/15	(1,671)		1,671							11,188
Title II- Part A	84.367A	S367A150029	NCLB587011	12,444	7/1/10	6/30/11	1,138								1,138	11,306
Title IV	84.188		NCLB587010	1,278	9/1/09	8/31/10	18								18	1,260
IDEA Part B, Basic	84.027	H027A160100	FT587017	106,758	7/1/16	6/30/17				91,301			(91,301)			91,301
IDEA Part B, Basic	84.027	H027A150100	FT587016	101,811	7/1/15	6/30/16	(37,183)		24,228				(12,955)			101,811
IDEA Part B, Basic	84.027	H027A150100	FT587015	101,453	7/1/14	6/30/15	(43,794)		43,794							101,453
IDEA Part B Preschool	84.173	H173A160114	FT587017	5,294	7/1/16	6/30/17			3,380	3,380						3,380
IDEA Part B Preschool	84.173	H173A150114	FT587015	5,383	7/1/14	6/30/15	3,845								3,845	1,538
Race to the Top	84.413A	B413A120008	N/A	1,619	9/1/12	8/31/13	(280)		280							1,619
Total Special Revenue Fund							(91,259)		88,733	123,998			(133,573)		7,049	427,063
Total Federal Financial Awards							\$ (91,259)		\$ 88,733	\$ 123,998			\$ (133,573)		\$ 7,049	\$ 427,063

WOODBURY HEIGHTS SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016		Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2017			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Cash Received			(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Special Education Categorical Aid	17-495-034-5120-089	\$ 134,019	7/1/16	6/30/17		\$ 134,019	\$ (134,019)					\$ 13,401	\$ 134,019
Equalization Aid	17-495-034-5120-078	850,798	7/1/16	6/30/17		850,798	(850,798)					77,888	850,798
Security Aid	17-495-034-5120-084	5,736	7/1/16	6/30/17		5,736	(5,736)					570	5,736
Transportation Aid	17-495-034-5120-014	5,453	7/1/16	6/30/17		5,453	(5,453)					539	5,453
PARCC Readiness Aid	17-495-034-5120-098	2,120	7/1/16	6/30/17		2,120	(2,120)					212	2,120
Per Pupil Growth Aid	17-495-034-5120-097	2,120	7/1/16	6/30/17		2,120	(2,120)					212	2,120
Professional Learning Community Aid	17-495-034-5120-101	2,260	7/1/16	6/30/17		2,260	(2,260)					226	2,260
Extraordinary Aid	16-100-034-5120-473	7,415	7/1/15	6/30/16	\$ (7,415)	7,415							7,415
Nonpublic School Transportation Reimbursement	N/A	1,475	7/1/15	6/30/16	(1,475)			\$ 1,475					
Reimbursed TPAF Social Security Aid	17-495-034-5094-003	130,966	7/1/16	6/30/17		124,441	(130,966)		\$ (6,525)				130,966
Reimbursed TPAF Social Security Aid	16-495-034-5094-003	126,347	7/1/15	6/30/16	(6,042)	6,042							126,347
On-Behalf TPAF Pension Contribution	17-495-034-5094-006	184,523	7/1/16	6/30/17		184,523	(184,523)						184,523
On-Behalf TPAF Post-retirement Medical Contributions	17-495-034-5094-001	154,008	7/1/16	6/30/17		153,749	(153,749)						153,749
On-behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	259	7/1/16	6/30/17		259	(259)						259
Total General Fund						(14,932)	1,478,935	(1,472,003)	1,475	(6,525)		93,048	1,605,765
Special Revenue Fund:													
NJ Nonpublic Aid													
Textbook Aid	17-100-034-5120-064	22,422	7/1/16	6/30/17		22,422	(22,197)			\$ 225			22,197
Auxiliary Services:													
Compensatory Education	17-100-034-5120-067	85,101	7/1/16	6/30/17		85,101	(67,543)			17,558			67,543
Compensatory Education	16-100-034-5120-067	71,913	7/1/15	6/30/16	10,493			(10,493)					61,420
Transportation	17-100-034-5120-067	14,754	7/1/16	6/30/17		14,754	(12,918)			1,836			12,918
Transportation	16-100-034-5120-067	12,519	7/1/15	6/30/16	290			(290)					12,229
Transportation	14-100-034-5120-067	42,471	7/1/13	6/30/14	(200)				(200)				42,471
Home Instruction	16-100-034-5120-067	848	7/1/15	6/30/16	(848)	848							848
Handicapped Services:													
Corrective Speech	17-100-034-5120-066	73,331	7/1/16	6/30/17		73,331	(64,230)			9,101			64,230
Corrective Speech	16-100-034-5120-066	71,485	7/1/15	6/30/16	1,261			(1,261)					70,224
Examination and Classification	17-100-034-5120-066	49,716	7/1/16	6/30/17		49,716	(46,467)			3,249			46,467
Examination and Classification	16-100-034-5120-066	38,863	7/1/15	6/30/16	3,578			(3,578)					35,285
Supplementary Instruction	17-100-034-5120-066	25,895	7/1/16	6/30/17		25,895	(24,246)			1,649			24,246
Nursing Services Aid	17-100-034-5120-070	35,010	7/1/16	6/30/17		35,010	(35,010)						35,010
Technology Initiative	17-100-034-5120-373	10,114	7/1/16	6/30/17		10,114	(10,114)						10,114
Technology Initiative	16-100-034-5120-373	10,140	7/1/15	6/30/16	6			(6)					10,134
Security Aid	17-100-034-5120-509	25,400	7/1/16	6/30/17		25,400	(25,299)			101			25,299
Security Aid	16-100-034-5120-509	12,700	7/1/15	6/30/16	1,799			(1,799)					10,901
Total Special Revenue Fund						16,379	342,591	(308,024)	(17,427)	(200)		33,719	551,536
New Jersey School Development Authority													
Capital Projects Fund:													
SDA Grant		251,678	9/7/10	6/30/14	(22,056)					\$ (22,056)			
Total Capital Projects Fund					(22,056)					(22,056)			
Total State Financial Assistance					\$ 1,447	\$ 1,821,526	\$ (1,780,027)	\$ (15,952)	\$ (6,725)		\$ 33,719	\$ 93,048	\$ 2,157,301
Less: On-Behalf TPAF Pension System Contributions													\$ (338,531)
Total for State Financial Assistance-Major Program Determination													\$ (1,441,496)

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND 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, Woodbury Heights 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. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more state aid June payments in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,884 for the General Fund and \$0 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund		\$ 1,470,119	\$ 1,470,119
Special revenue fund	\$ 123,998	308,024	432,022
	<u>\$ 123,998</u>	<u>\$ 1,778,143</u>	<u>\$ 1,902,141</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

NOTE 7: INDIRECT COST RATE

The Woodbury Heights School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

WOODBURY HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND 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? yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 SECTION .516(a)? yes no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? yes no

WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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 and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

GMIS Number(s)

495-034-5120-078
495-034-5120-089
495-034-5120-084
495-034-5120-097
495-034-5120-098
495-034-5120-101

Name of State Program

State Aid Public Cluster:

Equalization Aid
Special Education Aid
Security Aid
Per Pupil Growth Aid
PARCC Readiness
Professional Learning Community Aid

WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

No matters were reported

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

FEDERAL AWARDS

Not applicable

STATE AWARDS

No matters were reported

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

No matters were reported