

**Borough of Wenonah Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018**

**SCHOOL DISTRICT
OF
BOROUGH OF WENONAH**

**Borough of Wenonah Board of Education
Wenonah, New Jersey**

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018*

Comprehensive Annual

Financial Report

of the

Borough of Wenonah Board of Education

Wenonah, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

*Wenonah School District
Board of Education*

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INTRODUCTORY SECTION



Kristine Height
Chief School Administrator

Kelly A. Brazelton
Business Administrator
Board Secretary

January 17, 2019

Honorable President and
Members of the Board of Education
Borough of Wenonah School District
County of Gloucester
Wenonah, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Borough of Wenonah School District (District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the 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, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 independent auditor's report, the MD & A, and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information, other MD & A, including budgetary comparison schedules and other supplementary information. 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 the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

1. Reporting Entity and Its Services

The Borough of Wenonah 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 Borough of Wenonah Board of Education and its school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education. The District completed the 2017-2018 fiscal year with an average enrollment of 182, which is 5 students more than the previous year's enrollment.

The teaching staff consists of approximately twenty-seven faculty members, plus eight instructional classroom aides. The District's administrative structure includes a superintendent/principal, and a business administrator. The nine member board of education is an elected body of the Borough of Wenonah residents.

The District offers a caring, nurturing atmosphere conducive to the student's academic, social, and emotional growth. The District's instructional strategies and processes support the achievement of the New Jersey Student Learning Standards for all students. When students complete their elementary education in the District, they will have the foundations needed in their journey to becoming productive, self-sufficient, civic minded middle school students. The school district staff, involved parents, and community members are integral to the accomplishment of this goal.

All pre-kindergarten through sixth grade students receive a program designed to enlighten their skills in language arts, math, science, social studies, health/physical education, music, foreign language, and computer technology.

Comprehensive special education programs are provided to meet the requirements of the special needs population. Child study team services are provided through a contract with the regional high school district. The goal is to ensure that these students receive an educational program appropriate to their needs.

A gifted and talented pullout program is provided to students in grades kindergarten through six to provide advanced learning opportunities to the gifted student.

A strong basic skills curriculum in reading and math is available for students who are identified based on their standardized test scores and/or teacher recommendation. The District employs basic skills teachers whose purpose is to ensure that the students receive a remedial program appropriate to their needs where these youngsters are able to demonstrate growth in the early stages of their educational career.

2. Economic Condition and Outlook

The Borough of Wenonah has few available building lots. The population of the town is expected to remain relatively stable. However, there are many properties that are for sale. There has been a slight shift in age distribution, due primarily to younger families moving in as older residents leave. Commercial property is minimal. The Borough of Wenonah went through a revaluation in January of 2012 and a reassessment in 2015.

3. Major Initiatives

The District continues to supply an enhanced educational program for our students through the upgrading of our elementary facilities, innovative, educational programs and activities, and a comprehensive curriculum which addresses students' needs from basic skills to enrichment.

Literacy and Math

The District continues to utilize sound research based approaches to both our math and literacy programs. Our kindergarten through sixth grade language arts curriculums were realigned to the state standards. Our fifth and sixth grades are departmentalized in all subject areas. Basic skills instruction is used to provide individualized instruction to kindergarten through sixth grade students that are experiencing difficulty in learning to read and write on their appropriate grade level. EnVisions Math is used in preschool through sixth grades. "Wonders," by McGraw Hill, is the ELA series used in kindergarten through sixth grade.

Technology

Technology in Wenonah is viewed as critical to school reform because of its capacity to support improvement in the educational process. Interaction via one-to-one Chromebooks, Macbooks, and SMART technology in almost every classroom, leads to higher level problem solving and is revolutionizing the way our students learn. Technology has been integrated into every aspect of our curriculum and in daily lessons helping to keep instruction relevant and standards based. Targeted professional data-driven development is provided to our teachers to continually upgrade their methodologies.

The Arts

The District offers chorus, and beginning and advanced band. Concerts take place semi-annually. There is an annual school play as well as an art show featuring student artwork.

Professional Development

The District participates with Gateway curriculum consortium in offering comprehensive professional development opportunities to the staff that are data-driven. A professional development committee, consisting of staff and administrators, meets regularly to assess the needs of the educational community.

4. Internal Accounting Controls

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

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

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

5. Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service 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, 2018.

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. Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD & A). This letter of transmittal is designed to complement the MD & A and should be read in connection with it. The District's MD & A can be found immediately following the report of the independent auditors.

8. Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District maintains liquid cash funds on deposit 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 Joint Insurance Fund. Now, in the seventeenth year of operation, the JIF is performing very well, meeting and exceeding expectations.

10. Other Information

A. Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni and Associates, LLC, are the appointed District auditors. 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 and the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. Acknowledgements

We would like to express our appreciation to the members of the Borough of Wenonah School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the District, along with a quality product that fully supports the youngsters of Wenonah, 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 business office.

Respectfully submitted,

Kristine Height

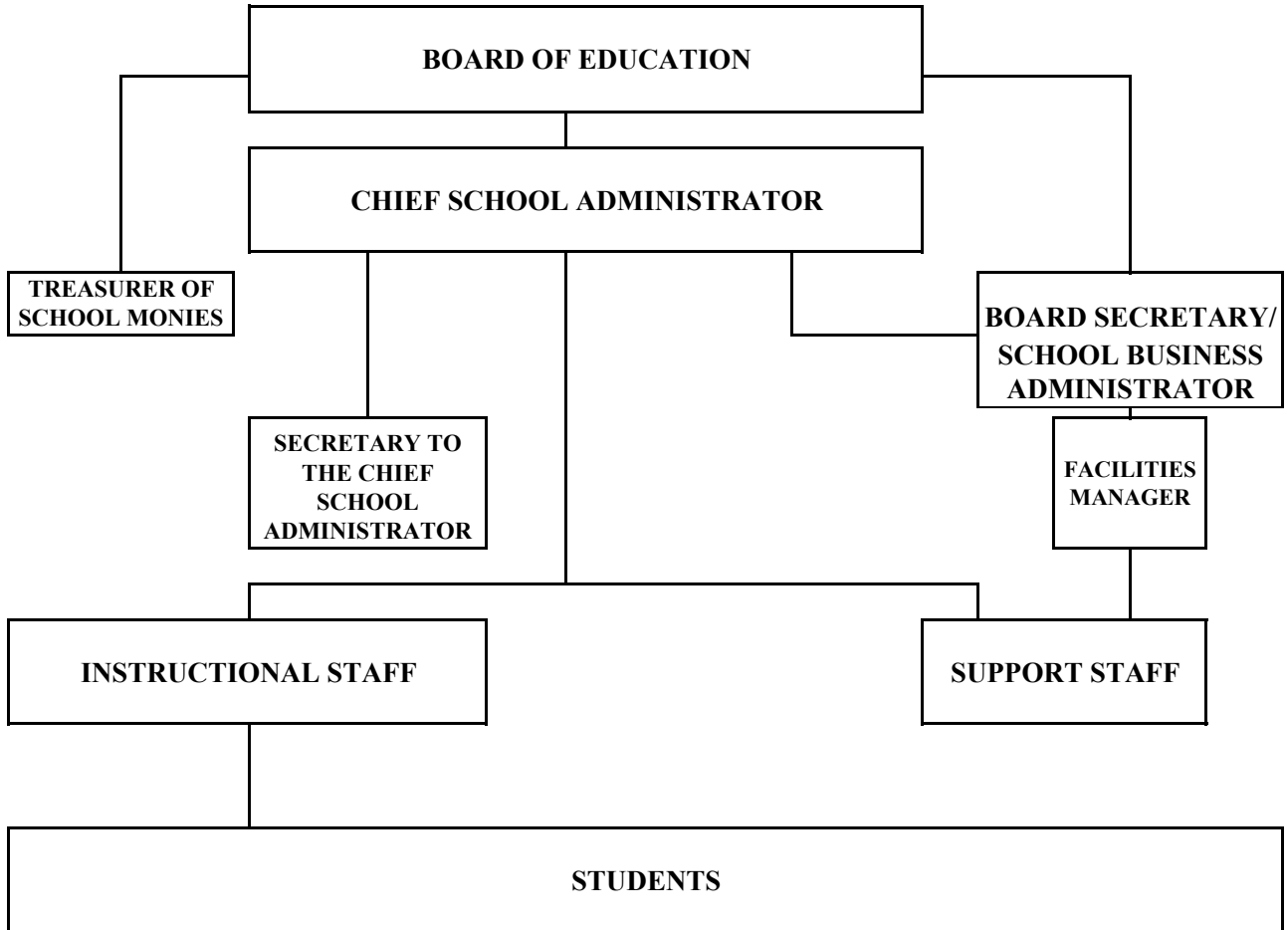
Kristine Height
Chief School Administrator

Denise DiGiandomenico

Denise DiGiandomenico
Interim School Business Administrator/
Board Secretary

**BOROUGH OF WENONAH BOARD OF EDUCATION
WENONAH, NEW JERSEY**

**ORGANIZATIONAL CHART
2017-2018**



**BOROUGH OF WENONAH BOARD OF EDUCATION
WENONAH, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2018**

| | <u>Term Expires</u> |
|--|-------------------------|
| Members of the Board of Education | |
| Louis McCall, President | 2021 |
| Cheryl Demo-Morris, Vice President | 2019 |
| Diana Gehring | 2021 |
| Michelle Contarino | 2018 |
| Robert Dugan | 2018 |
| William Helmbrect | 2018 |
| Jonathan Newcomb | 2021 |
| Chuck Patrick | 2019 |
| Christopher Peraino | 2019 |

Other Officials

Kristine Height, Chief School Administrator
Kelly A. Brazelton, School Business Administrator/Board Secretary
Audra Pondish, Esquire, Solicitor

**BOROUGH OF WENONAH BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Petroni and Associates, LLC
102 West High Street
Suite 100
Glassboro, New Jersey 08028

Attorney

Audra Pondish, Esquire
Adams, Gutierrez, and Lattiboudere, LLC
1037 Raymond Blvd., Suite 900
Newark, New Jersey 07102

Insurance Agent

Gloucester, Cumberland, Salem School Districts
Joint Insurance Fund
c/o Arthur J. Gallagher
Risk Management Services, Inc.
Post Office Box 449
Marlton, New Jersey 08053

Official Depository

Ocean First Bank
2745 South Delsea Drive
Vineland, New Jersey 08360

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

Kevin A. Bergeron, CPA
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
Borough of Wenonah School District
200 North Clinton Avenue
Wenonah, New Jersey 08090

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 Wenonah School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, 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 Wenonah Board of Education as of June 30, 2018, 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 Wenonah 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2019, on our consideration of the Wenonah 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 Wenonah 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

January 17, 2019

Required Supplementary Information - Part I

**BOROUGH OF WENONAH SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2018**

This section of the Borough of Wenonah School District’s (District) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follows this section.

The Management’s Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board’s (GASB) Statement No. 34 - Basic Financial Statements and Management’s Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2017-18) and the prior year (2016-17) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2017-18 fiscal year include the following:

- Net position for governmental activities and business type activities was \$(7,464,615.97) and \$.29, respectively.
- Net position for governmental activities decreased by \$204,174.73 from July 1, 2017 to June 30, 2018. Net position for business type activities increased by \$0 from July 1, 2017 to June 30, 2018.
- The general fund, fund balance as of June 30, 2018 was \$379,140.87, an increase of \$87,911.66 when compared with the beginning balance as of July 1, 2017 of \$291,229.80.

Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor’s Report, Required Supplementary Information which includes the Management’s Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental 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 operation in more detail than the district-wide statements.
- The governmental funds statements tell us how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- 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 to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of the Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

Table 1
Major Features of the District-Wide and Fund Financial Statements

| | District-Wide Statements | Governmental Funds | Proprietary Funds | Fiduciary Funds |
|--|--|---|---|---|
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance | Activities the district operates similar to private businesses; food service is included here | Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| Required Financial Statements | Statement of net position Statement of activities | Balance sheet Statement of revenues, expenditures, and changes in fund balances | Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows | Statement of fiduciary net position Statement of changes in fiduciary net position |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of Assets/ Liabilities | All assets and liabilities, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of Inflow/Outflow Information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All revenues and expenses during the year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and liabilities - are a measure of the District's financial health or position.

- . Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- . To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- . *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- . *Business-type activities* - The District may charge fees to customers to help it cover the costs of certain services it provides. The District does not have any business-type activities at this time.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- . Some funds are required by State law and by bond covenants.
- . The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- . **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- . **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- . **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE.

Net Position. The District's net position for the fiscal years ended June 30, 2017 and 2018 are reflected in Table 2.

**Table 2
Net Position**

| | 2018 | | | 2017 | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Assets: | | | | | | |
| Current and other assets | \$ 403,068.90 | \$ 0.29 | \$ 403,069.19 | \$ 610,107.90 | \$ 0.29 | \$ 610,108.19 |
| Capital assets, net | 2,670,731.42 | 0.00 | 2,670,731.42 | 2,725,127.50 | 0.00 | 2,725,127.50 |
| Total assets | 3,073,800.32 | 0.29 | 3,073,800.61 | 3,335,235.40 | 0.29 | 3,335,235.69 |
| Deferred outflow of resources: | | | | | | |
| Deferred outflows related to pension | 76,416.00 | 0.00 | 76,416.00 | 322,190.00 | 0.00 | 0.00 |
| Liabilities: | | | | | | |
| Current and other liabilities | 36,073.27 | 0.00 | 36,073.27 | 332,536.43 | 0.00 | 332,536.43 |
| Long-term liabilities: | | | | | | |
| Due within one year | 170,000.00 | 0.00 | 170,000.00 | 165,000.00 | 0.00 | 165,000.00 |
| Due in more than one year | 953,164.02 | 0.00 | 953,164.02 | 1,127,546.21 | 0.00 | 1,127,546.21 |
| Net pension liability | 7,632,615.00 | 0.00 | 7,632,615.00 | 1,067,621.00 | 0.00 | 1,067,621.00 |
| Total liabilities | 8,791,852.29 | 0.00 | 8,791,852.29 | 2,692,703.64 | 0.00 | 2,692,703.64 |
| Deferred inflow of resources: | | | | | | |
| Deferred inflows related to pension | 970,689.00 | 0.00 | 970,689.00 | 0.00 | 0.00 | 0.00 |
| Net position: | | | | | | |
| Net investment in capital assets, net of related debt | 1,615,731.42 | 0.00 | 1,615,731.42 | 1,505,127.50 | 0.00 | 1,505,127.50 |
| Restricted for: | | | | | | |
| Capital projects | 100,118.86 | 0.00 | 100,118.86 | 50,018.71 | 0.00 | 50,018.71 |
| Other purposes | 48,013.60 | 0.00 | 48,013.60 | 56,983.61 | 0.00 | 56,983.61 |
| Unrestricted | (9,228,479.85) | 0.29 | (9,228,479.56) | (647,408.06) | 0.29 | (647,407.77) |
| Total net position | \$ (7,464,615.97) | \$ 0.29 | \$ (7,464,615.68) | \$ 964,721.76 | \$ 0.29 | \$ 964,722.05 |

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$84,800.80 (operating grants and contributions - \$64,400.80 and charges for services - \$20,400.00).
- General revenues, special items, extraordinary items, and transfers amounted to \$3,888,906.06.
- Net expenditures were \$3,786,062.79.
- Total District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$1,067,565.32 as of June 30, 2018.
- Revenues (\$3,888,906.06) plus beginning assets (\$7,260,440.95) less net expenditures (\$4,093,080.79) equals net position of (\$7,464,615.68). The beginning net assets was adjusted for the prior period OPEB liability in the amount of \$8,225,163.00 (See Note 21 in the Notes to the Financial Statements).

Change in Net Position. Net position for governmental activities increased from June 30, 2017 to June 30, 2018 as reflected in Table 3.

Table 3
Changes in Net Position

| | 2018 | | | 2017 | | |
|---|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 0.00 | \$ 20,400.00 | \$ 20,400.00 | \$ 0.00 | \$ 16,375.36 | \$ 16,375.36 |
| Operating grants and contributions | 64,400.80 | 0.00 | 64,400.80 | 467,207.62 | 0.00 | 467,207.62 |
| General revenues: | | | | | | |
| Property taxes | 2,845,937.00 | 0.00 | 2,845,937.00 | 2,788,604.00 | 0.00 | 2,788,604.00 |
| Grants and entitlements | 987,152.82 | 0.00 | 987,152.82 | 506,059.00 | 0.00 | 506,059.00 |
| Tuition | 42,450.00 | 0.00 | 42,450.00 | 35,368.00 | 0.00 | 35,368.00 |
| Miscellaneous | 6,638.50 | 0.00 | 6,638.50 | 18,330.21 | 0.48 | 18,330.69 |
| Transfer in | | 2,345.55 | 2,345.55 | | | |
| Miscellaneous - long-term debt adjustments | 4,382.19 | 0.00 | 4,382.19 | (1,490.37) | 0.00 | (1,490.37) |
| Total revenues | 3,950,961.31 | 22,745.55 | 3,973,706.86 | 3,814,078.46 | 16,375.84 | 3,830,454.30 |
| Expenses: | | | | | | |
| Program expenses: | | | | | | |
| Instruction | 1,834,217.92 | 0.00 | 1,834,217.92 | 2,352,374.67 | 0.00 | 2,352,374.67 |
| Tuition | 139,014.50 | 0.00 | 139,014.50 | 40,340.00 | 0.00 | 40,340.00 |
| Student and instruction related services | 431,663.61 | 0.00 | 431,663.61 | 560,419.69 | 0.00 | 560,419.69 |
| General administration services | 213,840.76 | 0.00 | 213,840.76 | 255,144.51 | 0.00 | 255,144.51 |
| School administration services | 19,587.01 | 0.00 | 19,587.01 | 26,290.46 | 0.00 | 26,290.46 |
| Central services | 144,992.22 | 0.00 | 144,992.22 | 136,068.30 | 0.00 | 136,068.30 |
| Administrative information technology | 350.00 | 0.00 | 350.00 | 5,434.00 | 0.00 | 5,434.00 |
| Plant operations and maintenance | 295,252.45 | 0.00 | 295,252.45 | 346,385.30 | 0.00 | 346,385.30 |
| Pupil transportation | 48,513.35 | 0.00 | 48,513.35 | 38,308.90 | 0.00 | 38,308.90 |
| Unallocated benefits | 972,730.16 | 0.00 | 972,730.16 | 0.00 | 0.00 | 0.00 |
| Food services | 0.00 | 0.00 | 0.00 | 0.00 | 16,375.55 | 16,375.55 |
| Preschool extended care | 0.00 | 22,745.55 | 22,745.55 | 0.00 | 0.00 | 0.00 |
| Unallocated depreciation | 15,924.08 | 0.00 | 15,924.08 | 15,907.00 | 0.00 | 15,907.00 |
| Capital outlay | 10,762.48 | 0.00 | 10,762.48 | | 0.00 | 0.00 |
| Interest on long-term debt | 28,287.50 | 0.00 | 28,287.50 | 42,667.75 | 0.00 | 42,667.75 |
| Total expenses | 4,155,136.04 | 22,745.55 | 4,177,881.59 | 3,819,340.58 | 16,375.55 | 3,835,716.13 |
| Increase (decrease) in net position | \$ (204,174.73) | \$ 0.00 | \$ (204,174.73) | \$ (5,262.12) | \$ 0.29 | \$ (5,261.83) |

Total revenues for the District were \$3,973,706.86. Governmental funding was the source of 26.62% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$2,845,937.00 provided 72.03% of revenues.

Other miscellaneous revenues of \$55,816.24 represent 1.35% of the District revenues. Miscellaneous revenue was primarily provided from interest and tuition.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$1,973,232.42 (51.3%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$480,176.96 (12.4%) of total expenditures. Plant operations and maintenance totaled \$295,252.45 (7.6%) of total expenditures. Total expenditures exceeded revenues for governmental activities, decreasing net position \$204,174.73 from the beginning balance at July 1, 2017.

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the wellbeing of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$379,141.46. At June 30, 2017, the fund balance was \$291,229.80.

All governmental funds had total revenues of \$3,944,825.12 and total expenditures of \$3,856,913.46.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 6 including pupil transportation activities and capital outlay projects.

Table 4 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table 4
Comparison of Revenues

| | 2018 | 2017 | Increase/ (Decrease) | Percentage Increase/ (Decrease) |
|---------------------|------------------------|------------------------|-------------------------|---------------------------------------|
| Local Sources: | | | | |
| Local tax levy | \$ 2,845,937.00 | \$ 2,788,604.00 | \$ 57,333.00 | 2.06% |
| Tuition | 42,450.00 | 36,368.00 | 6,082.00 | 16.72% |
| Miscellaneous | 11,826.71 | 5,336.21 | 6,490.50 | 121.63% |
| Government Sources: | | | | |
| State sources | 987,152.82 | 901,636.62 | 85,516.20 | 9.48% |
| Federal sources | 57,458.59 | 70,130.00 | (12,671.41) | -18.07% |
| Total | <u>\$ 3,944,825.12</u> | <u>\$ 3,802,074.83</u> | <u>\$ 142,750.29</u> | <u>3.75%</u> |

One of the primary sources of funding for the District is received from local property taxes and accounted for 72.14% of the total revenues. State aid accounted for 25.02% of total revenues.

Total governmental fund revenues increased by \$142,750.29, or 3.75% from the previous year. The major component of this increase was primarily the result of an increase in the tax levy and state aid.

There was an increase in property taxes for the general fund of \$51,983.00, which is a 2% increase from the prior year. State law limits the increase in general fund taxes to 2%, plus a minimal amount of adjustments and any banked cap.

Table 5 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table 5
Comparison of Expenditures

| | 2018 | 2017 | Increase/ (Decrease) | Percentage Increase/ (Decrease) |
|--|------------------------|---------------------|-------------------------|---------------------------------------|
| Instruction: | | | | |
| Regular | \$ 1,188,064.03 | 1,290,425.10 | \$ (102,361.07) | -7.93% |
| Special education | 203,852.44 | 202,069.23 | 1,783.21 | 0.88% |
| Other special education | 74,170.08 | 90,851.22 | (16,681.14) | -18.36% |
| Other | 20,438.04 | 16,513.77 | 3,924.27 | 23.76% |
| Support services: | | | | |
| Tuition | 139,014.50 | 40,340.00 | 98,674.50 | 244.61% |
| Student and instruction related services | 406,420.25 | 423,767.90 | (17,347.65) | -4.09% |
| General administration | 174,927.24 | 194,263.92 | (19,336.68) | -9.95% |
| School administration | 18,781.01 | 18,099.53 | 681.48 | 3.77% |
| Central services | 125,369.62 | 104,129.84 | 21,239.78 | 20.40% |
| Administrative information technology | 350.00 | 5,434.00 | (5,084.00) | 100.00% |
| Plant operations and maintenance | 233,103.86 | 234,415.90 | (1,312.04) | -0.56% |
| Pupil transportation | 48,513.35 | 38,308.90 | 10,204.45 | 26.64% |
| Unallocated benefits | 500,967.74 | 501,536.90 | (569.16) | -0.11% |
| TPAF and FICA reimbursements | 452,808.82 | 395,577.62 | 57,231.20 | 14.47% |
| Capital outlay | 75,332.48 | 22,824.00 | 52,508.48 | 230.06% |
| Debt service | 194,800.00 | 189,450.00 | 5,350.00 | 2.82% |
| Total | <u>\$ 3,856,913.46</u> | <u>3,768,007.83</u> | <u>\$ 88,905.63</u> | <u>2.36%</u> |

Total governmental fund expenditures increased \$88,905.63 or 2.36% from the previous year. This increase was primarily due to the addition in staff and benefits, and the purchase of a security system in capital outlay.

The District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2018, the District modified the general fund budget as needed to ensure no line items was projected to be overexpended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$194,800.00, of which \$194,800.00 in funding was provided by the local tax levy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets are individual items purchased at a cost exceeding \$2,000.00, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2018, the District had capital assets allocated to governmental activities with a book value of \$2,670,731.42. This consists of a broad range of capital assets, including land, site improvements, buildings and improvements, and equipment. Total depreciation expense for the year was \$120,720.08.

Table 6 summarizes capital assets.

Table 6
Capital Assets (Net of Depreciation)
At June 30, 2018 and 2017

| | 2018 | | | 2017 | | |
|---------------------------|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|------------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Land | \$ 29,375.00 | \$ 0.00 | \$ 29,375.00 | \$ 29,375.00 | \$ 0.00 | \$ 29,375.00 |
| Site improvements | 7,858.00 | 0.00 | 7,858.00 | 8,153.00 | 0.00 | 8,153.00 |
| Building and improvements | 2,540,412.00 | 0.00 | 2,540,412.00 | 2,645,386.00 | 0.00 | 2,645,386.00 |
| Machinery and equipment | 93,086.42 | 0.00 | 93,086.42 | 42,213.50 | 0.00 | 42,213.50 |
| Total | \$ 2,670,731.42 | \$ 0.00 | \$ 2,670,731.42 | \$ 2,725,127.50 | \$ 0.00 | \$ 2,725,127.50 |

Long-Term Obligations

At year-end, the District had \$1,055,000.00 in general obligation bonds outstanding, a decrease of \$165,000.00 from last year - as shown below.

The District also had a \$68,164.02 liability for compensated absences allocated to governmental activities. This represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 7 summarizes debt outstanding.

Table 7
Outstanding Debt
At June 30, 2018 and 2017

| | 2018 | | | 2017 | | |
|----------------------|----------------------------|-----------------------------|------------------------|----------------------------|-----------------------------|------------------------|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| Bonds payable | \$ 1,055,000.00 | \$ 0.00 | \$ 1,055,000.00 | \$ 1,220,000.00 | \$ 0.00 | \$ 1,220,000.00 |
| Compensated absences | 68,164.02 | 0.00 | 68,164.02 | 72,546.21 | 0.00 | 72,546.21 |
| Total | \$ 1,123,164.02 | \$ 0.00 | \$ 1,123,164.02 | \$ 1,292,546.21 | \$ 0.00 | \$ 1,292,546.21 |

For the Future

The Borough of Wenonah School District has continued to maintain the highest standards of service to our students, parents, and community, all the while remaining financially efficient. We strive to be a community center and will continue to offer facilities and services that will be a source of pride for our community.

A major concern is the continued increase in the cost of operating the District with minimal increases in state aid, as well as inadequate state aid funding, which causes property taxes to be the major source of revenue for the District, approximately 72%. Based on a ranking by the Tax Foundation, New Jersey has the highest property taxes in the nation when calculating property taxes as a percent of median home value. The Borough of Wenonah is primarily a residential community, with very few commercial ratables, thus the financial burden of tax increases is born by the homeowners. Despite this, the District is very proud of its community support.

Maintenance of the school building is a priority of the District. A building renovation was completed in 2007 which provided a new multi-purpose room, music room, art room, and many renovations to existing areas. In 2010 an existing computer room was renovated to add a pre-school handicapped classroom. As a result, the District does not anticipate any major building projects in the foreseeable future.

In conclusion, the District has committed itself to academic and fiscal responsibility for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future, as the focus of keeping Wenonah School as the heart of the Borough of Wenonah.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Kelly A. Brazelton, School Business Administrator/Board Secretary, 200 North Clinton Avenue, Wenonah, New Jersey 08090.

Basic Financial Statements

District-Wide Financial Statements

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 266,431.86 | \$ 0.29 | \$ 266,432.15 |
| Receivables, net | 36,519.59 | 0.00 | 36,519.59 |
| Restricted assets: | | | |
| Cash and cash equivalents | 0.59 | 0.00 | 0.59 |
| Capital reserve account - cash | 100,116.86 | 0.00 | 100,116.86 |
| Capital assets: | | | |
| Non-depreciable | 29,375.00 | 0.00 | 29,375.00 |
| Assets net of depreciation | 2,641,356.42 | 0.00 | 2,641,356.42 |
| Total assets | <u>3,073,800.32</u> | <u>0.29</u> | <u>3,073,800.61</u> |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| Deferred outflows related to pension | 73,303.00 | 0.00 | 73,303.00 |
| Deferred outflows related to OPEB | 3,113.00 | 0.00 | 3,113.00 |
| Total deferred outflows | <u>76,416.00</u> | <u>0.00</u> | <u>76,416.00</u> |
| LIABILITIES: | | | |
| Accrued interest | 12,145.83 | 0.00 | 12,145.83 |
| Accounts payable | 17,577.28 | 0.00 | 17,577.28 |
| Unearned revenue | 6,350.16 | 0.00 | 6,350.16 |
| Noncurrent liabilities: | | | |
| Due within one year | 170,000.00 | 0.00 | 170,000.00 |
| Due beyond one year | 953,164.02 | 0.00 | 953,164.02 |
| Net pension liability | 852,291.00 | 0.00 | 852,291.00 |
| Net OPEB liability | 7,632,615.00 | 0.00 | 7,632,615.00 |
| Total liabilities | <u>9,644,143.29</u> | <u>0.00</u> | <u>9,644,143.29</u> |
| DEFERRED INFLOW OF RESOURCES: | | | |
| Deferred inflows related to pension | 68,010.00 | 0.00 | 68,010.00 |
| Deferred inflows related to OPEB | 902,679.00 | 0.00 | 902,679.00 |
| Deferred inflows related to pension | <u>970,689.00</u> | <u>0.00</u> | <u>970,689.00</u> |
| NET POSITION: | | | |
| Net investment in capital assets, net of related debt | 1,615,731.42 | 0.00 | 1,615,731.42 |
| Restricted for: | | | |
| Capital projects | 100,118.86 | 0.00 | 100,118.86 |
| Debt service | 0.59 | 0.00 | 0.59 |
| Other purposes | 48,013.01 | 0.00 | 48,013.01 |
| Unrestricted | <u>(9,228,479.85)</u> | <u>0.29</u> | <u>(9,228,479.56)</u> |
| Total net position | <u>\$ (7,464,615.97)</u> | <u>\$ 0.29</u> | <u>\$ (7,464,615.68)</u> |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenue And Changes In Net Position | | Total |
|---|------------------------|-------------------------|--|--|---|-----------------------------|--------------------------|
| | | Charges For Services | Operating Grants And Contributions | Capital Grants And Contributions | Governmental Activities | Business-Type Activities | |
| Governmental activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 1,459,563.88 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ (1,459,563.88) | \$ 0.00 | \$ (1,459,563.88) |
| Special education | 275,048.92 | 0.00 | 50,035.21 | 0.00 | (225,013.71) | 0.00 | (225,013.71) |
| Other special instruction | 75,581.08 | 0.00 | 0.00 | 0.00 | (75,581.08) | 0.00 | (75,581.08) |
| Other instruction | 24,024.04 | 0.00 | 0.00 | 0.00 | (24,024.04) | 0.00 | (24,024.04) |
| Support services: | | | | | | | |
| Tuition | 139,014.50 | 0.00 | 0.00 | 0.00 | (139,014.50) | 0.00 | (139,014.50) |
| Student and instruction related services | 431,663.61 | 0.00 | 14,365.59 | 0.00 | (417,298.02) | 0.00 | (417,298.02) |
| General administrative services | 213,840.76 | 0.00 | 0.00 | 0.00 | (213,840.76) | 0.00 | (213,840.76) |
| School administrative services | 19,587.01 | 0.00 | 0.00 | 0.00 | (19,587.01) | 0.00 | (19,587.01) |
| Central services | 144,992.22 | 0.00 | 0.00 | 0.00 | (144,992.22) | 0.00 | (144,992.22) |
| Administrative information technology | 350.00 | 0.00 | 0.00 | 0.00 | (350.00) | 0.00 | (350.00) |
| Plant operations and maintenance | 295,252.45 | 0.00 | 0.00 | 0.00 | (295,252.45) | 0.00 | (295,252.45) |
| Pupil transportation | 48,513.35 | 0.00 | 0.00 | 0.00 | (48,513.35) | 0.00 | (48,513.35) |
| Unallocated benefits | 972,730.16 | 0.00 | 0.00 | 0.00 | (972,730.16) | 0.00 | (972,730.16) |
| Interest on long-term debt | 28,287.50 | 0.00 | 0.00 | 0.00 | (28,287.50) | 0.00 | (28,287.50) |
| Capital outlay | 10,762.48 | 0.00 | 0.00 | 0.00 | (10,762.48) | 0.00 | (10,762.48) |
| Unallocated depreciation | 15,924.08 | 0.00 | 0.00 | 0.00 | (15,924.08) | 0.00 | (15,924.08) |
| Total governmental activities | <u>4,155,136.04</u> | <u>0.00</u> | <u>64,400.80</u> | <u>0.00</u> | <u>(4,090,735.24)</u> | <u>0.00</u> | <u>(4,090,735.24)</u> |
| Business-type activities: | | | | | | | |
| Food services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Preschool Extended Care | 22,745.55 | 20,400.00 | 0.00 | 0.00 | 0.00 | (2,345.55) | (2,345.55) |
| Total business-type activities | <u>22,745.55</u> | <u>20,400.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(2,345.55)</u> | <u>(2,345.55)</u> |
| Total primary government | <u>\$ 4,177,881.59</u> | <u>\$ 20,400.00</u> | <u>\$ 64,400.80</u> | <u>\$ 0.00</u> | <u>(4,090,735.24)</u> | <u>(2,345.55)</u> | <u>(4,093,080.79)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes, net | | | | | 2,651,137.00 | 0.00 | 2,651,137.00 |
| Taxes levied for debt service | | | | | 194,800.00 | 0.00 | 194,800.00 |
| Federal and state aid not restricted | | | | | 987,152.82 | 0.00 | 987,152.82 |
| Tuition | | | | | 42,450.00 | 0.00 | 42,450.00 |
| Investment earnings | | | | | 963.32 | 0.00 | 963.32 |
| Miscellaneous income | | | | | 3,921.18 | 0.00 | 3,921.18 |
| Transfer in | | | | | 0.00 | 2,345.55 | 2,345.55 |
| Fixed asset adjustments | | | | | 1,754.00 | 0.00 | 1,754.00 |
| Increase/decrease in compensated absences | | | | | 4,382.19 | 0.00 | 4,382.19 |
| Total general revenues, special items, extraordinary items, and transfers | | | | | <u>3,886,560.51</u> | <u>2,345.55</u> | <u>3,888,906.06</u> |
| Change in net position | | | | | <u>(204,174.73)</u> | <u>0.00</u> | <u>(204,174.73)</u> |
| Net position - beginning | | | | | 964,721.76 | 0.29 | 964,722.05 |
| Prior Period adjustment of OPEB liability | | | | | <u>(8,225,163.00)</u> | | <u>(8,225,163.00)</u> |
| Restated net position - beginning | | | | | <u>(7,260,441.24)</u> | <u>0.29</u> | <u>(7,260,440.95)</u> |
| Net position - ending | | | | | <u>\$ (7,464,615.97)</u> | <u>\$ 0.29</u> | <u>\$ (7,464,615.68)</u> |

The accompanying notes to financial statements are an integral part of this statement.

Fund Financial Statements

**BOROUGH OF WENONAH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018**

| | Major Funds | | | |
|---|----------------------|----------------------------|-------------------------|---------------------------------|
| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 266,431.86 | \$ 0.00 | \$ 0.59 | \$ 266,432.45 |
| Due from other funds | 3,906.43 | 0.00 | 0.00 | 3,906.43 |
| Receivables from other governments | 26,248.00 | 5,256.59 | 0.00 | 31,504.59 |
| Other accounts receivable | 0.00 | 4,000.00 | 0.00 | 4,000.00 |
| Deposits | 15.00 | 0.00 | 0.00 | 15.00 |
| Restricted cash and cash equivalents | 100,116.86 | 0.00 | 0.00 | 100,116.86 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 396,718.15</u> | <u>\$ 9,256.59</u> | <u>\$ 0.59</u> | <u>\$ 405,975.33</u> |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 17,577.28 | \$ 0.00 | \$ 0.00 | \$ 17,577.28 |
| Interfund payable | - | 2,906.43 | - | 2,906.43 |
| Deferred revenue | 0.00 | 6,350.16 | 0.00 | 6,350.16 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>17,577.28</u> | <u>9,256.59</u> | <u>0.00</u> | <u>26,833.87</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Excess surplus - current year | 12,207.73 | 0.00 | 0.00 | 12,207.73 |
| Capital reserve account | 118.86 | 0.00 | 0.00 | 118.86 |
| Capital reserve account - designated for subsequent year's expenditures | 100,000.00 | 0.00 | 0.00 | 100,000.00 |
| Assigned: | | | | |
| Designated for subsequent year's expenditures | 30,000.00 | 0.00 | 0.00 | 30,000.00 |
| Other purposes | 5,805.28 | 0.00 | 0.00 | 5,805.28 |
| Unassigned: | | | | |
| Debt service fund | 0.00 | 0.00 | 0.59 | 0.59 |
| General fund | 231,009.00 | 0.00 | 0.00 | 231,009.00 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total fund balances | <u>379,140.87</u> | <u>0.00</u> | <u>0.59</u> | <u>379,141.46</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | <u>\$ 396,718.15</u> | <u>\$ 9,256.59</u> | <u>\$ 0.59</u> | |
| Amounts reported for governmental activities in the statement of net position (A-1) are different because: | | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,805,708.50 and the accumulated depreciation is \$2,134,977.08 | | | | 2,670,731.42 |
| 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 6) | | | | (1,123,164.02) |
| Interest on long-term debt in the statement of activities is accrued, regardless of when due | | | | (12,145.83) |
| Net pension liability adjustment | | | | (846,998.00) |
| Net OPEB liability adjustment | | | | (307,018.00) |
| The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 75 is reported as a prior period adjustment of OPEB liability (See Note 21). | | | | <u>(8,225,163.00)</u> |
| | | | | <u><u>\$ (7,464,615.97)</u></u> |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2018

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|---|-----------------|----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | |
| Local sources: | | | | |
| Local tax levy | \$ 2,651,137.00 | \$ 0.00 | \$ 194,800.00 | \$ 2,845,937.00 |
| Tuition | 42,450.00 | 0.00 | 0.00 | 42,450.00 |
| Interest earned on capital reserve | 100.15 | 0.00 | 0.00 | 100.15 |
| Miscellaneous | 4,784.35 | 6,942.21 | 0.00 | 11,726.56 |
| Total local sources | 2,698,471.50 | 6,942.21 | 194,800.00 | 2,900,213.71 |
| State sources | 987,152.82 | 0.00 | 0.00 | 987,152.82 |
| Federal sources | 0.00 | 57,458.59 | 0.00 | 57,458.59 |
| Total revenues | 3,685,624.32 | 64,400.80 | 194,800.00 | 3,944,825.12 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Regular instruction | 1,188,064.03 | 0.00 | 0.00 | 1,188,064.03 |
| Special education instruction | 153,817.23 | 50,035.21 | 0.00 | 203,852.44 |
| Other special instruction | 74,170.08 | 0.00 | 0.00 | 74,170.08 |
| Other instruction | 20,438.04 | 0.00 | 0.00 | 20,438.04 |
| Support services and undistributed costs: | | | | |
| Tuition | 139,014.50 | 0.00 | 0.00 | 139,014.50 |
| Student and instruction related services | 392,054.66 | 14,365.59 | 0.00 | 406,420.25 |
| General administrative services | 174,927.24 | 0.00 | 0.00 | 174,927.24 |
| School administrative services | 18,781.01 | 0.00 | 0.00 | 18,781.01 |
| Central services | 125,369.62 | 0.00 | 0.00 | 125,369.62 |
| Administrative information technology | 350.00 | 0.00 | 0.00 | 350.00 |
| Plant operations and maintenance | 233,103.86 | 0.00 | 0.00 | 233,103.86 |
| Pupil transportation | 48,513.35 | 0.00 | 0.00 | 48,513.35 |
| Employee benefits | 953,776.56 | 0.00 | 0.00 | 953,776.56 |
| Debt service: | | | | |
| Principal | 0.00 | 0.00 | 165,000.00 | 165,000.00 |
| Interest and other charges | 0.00 | 0.00 | 29,800.00 | 29,800.00 |
| Capital outlay | 75,332.48 | 0.00 | 0.00 | 75,332.48 |
| Total expenditures | 3,597,712.66 | 64,400.80 | 194,800.00 | 3,856,913.46 |
| Excess (deficiency) of revenues over (under) expenditures | 87,911.66 | 0.00 | 0.00 | 87,911.66 |
| Net change in fund balances | 87,911.66 | 0.00 | 0.00 | 87,911.66 |
| Fund balance - July 1 | 291,229.21 | 0.00 | 0.59 | 291,229.80 |
| Fund balance - June 30 | \$ 379,140.87 | \$ 0.00 | \$ 0.59 | \$ 379,141.46 |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2018

Total net change in fund balances - governmental funds
 (from B-2) \$ 87,911.66

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

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

| | | |
|------------------------|-----------------|-------------|
| Depreciation expense | \$ (120,720.08) | |
| Capital outlays | 64,570.00 | |
| Disposals | 0.00 | |
| Prior year adjustments | 1,754.00 | (54,396.08) |

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

| | | |
|----------------|--|------------|
| Bond principal | | 165,000.00 |
|----------------|--|------------|

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

4,382.19

In the statement of activities, interest on long-term
 debt in the statement of activities is accrued,
 regardless of when due. In the governmental funds,
 interest is reported when due. The accrued interest
 is an addition in the reconciliation (+).

1,512.50

Pension contributions are reported in governmental funds
 as expenditures. However, in the statement of activities,
 the contributions are adjusted for actuarial valuation
 adjustments

(101,567.00)

OPEB contributions are reported in governmental funds
 as expenditures. However, in the statement of activities,
 the contributions are adjusted for actuarial valuation
 adjustments

(307,018.00)

Change in net position of governmental activities

\$ (204,174.73)

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

| | Business-type Activities - Enterprise Funds | | |
|---------------------------|--|----------------------------|---------|
| | Food Service | Preschool Extended Care | Totals |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 0.29 | \$ - | \$ 0.29 |
| Total current assets | 0.29 | - | 0.29 |
| Total assets | \$ 0.29 | \$ - | \$ 0.29 |
| NET ASSETS | | | |
| Unrestricted | \$ 0.29 | \$ - | \$ 0.29 |
| Total net assets | \$ 0.29 | \$ - | \$ 0.29 |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018

| | Business-type Activities - Enterprise Fund | | |
|----------------------------------|---|------------------------------------|-----------------------------|
| | Food Service | Preschool Extended Care | Total Enterprise |
| Operating revenues: | | | |
| Charges for services: | | | |
| Tuition | \$ - | \$ 20,400.00 | \$ 20,400.00 |
| Total operating revenues | <u>-</u> | <u>20,400.00</u> | <u>20,400.00</u> |
| Operating expenses: | | | |
| Salaries | - | 22,278.80 | 22,278.80 |
| General supplies | - | 466.75 | 466.75 |
| Total Operating Expenses | <u>-</u> | <u>22,745.55</u> | <u>22,745.55</u> |
| Operating income (loss) | - | (2,345.55) | (2,345.55) |
| Transfers in | <u>-</u> | <u>2,345.55</u> | <u>2,345.55</u> |
| Change in net assets | - | - | - |
| Total net position—beginning | <u>0.29</u> | <u>-</u> | <u>0.29</u> |
| Total net position—ending | <u>\$ 0.29</u> | <u>\$ -</u> | <u>\$ 0.29</u> |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

| | Business-type Activities - Enterprise Funds | | |
|---|--|------------------------------------|-----------------------------|
| | Food Service | Preschool Extended Care | Total Enterprise |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and other funds | \$ - | \$ 20,400.00 | \$ 20,400.00 |
| Payments to employees | | (22,278.80) | (22,278.80) |
| Payments to suppliers | - | (466.75) | (466.75) |
| Net cash provided by (used for) operating activities | <u>-</u> | <u>(2,345.55)</u> | <u>(2,345.55)</u> |
| CASH FLOWS FROM NONCAPITAL ACTIVITIES | | | |
| Transfers from general fund | - | 2,345.55 | 2,345.55 |
| Net cash provided by (used for) noncapital financing activities | <u>-</u> | <u>2,345.55</u> | <u>2,345.55</u> |
| Net increase (decrease) in cash and cash equivalents | - | - | - |
| Balances—beginning of year | 0.29 | - | 0.29 |
| Balances—end of year | <u>\$ 0.29</u> | <u>\$ -</u> | <u>\$ 0.29</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ - | \$ (2,345.55) | \$ (2,345.55) |
| Net cash provided by (used for) operating activities | <u>\$ -</u> | <u>\$ (2,345.55)</u> | <u>\$ (2,345.55)</u> |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

| | Unemployment Compensation Trust Fund | Agency Fund |
|---|--|-----------------------------|
| | <u> </u> | <u> </u> |
| ASSETS: | | |
| Cash and cash equivalents | \$ 30,168.32 | \$ 19,539.64 |
| Deposits held by the State of New Jersey | 0.00 | 0.00 |
| | <u> </u> | <u> </u> |
| Total assets | <u>30,168.32</u> | <u>19,539.64</u> |
| LIABILITIES: | | |
| Interfund accounts payable | 0.00 | 1,000.00 |
| Payroll deductions and withholdings | 0.00 | 1,315.91 |
| Due to student groups | 0.00 | 17,223.73 |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>0.00</u> | <u>\$ 19,539.64</u> |
| NET POSITION: | | |
| Held in trust for unemployment claims and other purposes | <u>\$ 30,168.32</u> | |

The accompanying notes to financial statements are an integral part of this statement.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2018

| | <u>Unemployment Compensation Trust Fund</u> |
|----------------------------------|---|
| ADDITIONS: | |
| Contributions: | |
| Plan member | \$ 3,730.40 |
| Investment earnings: | |
| Interest earned | 65.35 |
| Total additions | <u>3,795.75</u> |
| OPERATING EXPENSES: | |
| Quarterly Contribution Reports | 0.00 |
| Unemployment Claims | 6,985.11 |
| Catastrophic Illness Fund | 102.00 |
| Total deductions | <u>7,087.11</u> |
| Change in net position | (3,291.36) |
| Net position - beginning of year | <u>33,459.68</u> |
| Net position - end of year | <u><u>\$ 30,168.32</u></u> |

The accompanying notes to financial statements are an integral part of this statement.

Notes to the Financial Statements

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate “fund types” as follows:

Governmental Funds

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 noninstructional equipment which are classified in the capital outlay subfund.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Governmental Funds (Concluded)

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

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government (other than major capital 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.

Proprietary Funds

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

Enterprise Funds - The enterprise fund accounts for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods and services on a continuing basis are financed or recovered primarily through user charges.

The District's enterprise fund is comprised of the food service fund and Pre-School Extended care.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Concluded)

Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

The District reports the following fiduciary funds:

Private Purpose Trust Funds - The private purpose trust fund consists of an expendable trust fund. The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The expendable trust fund accounts for assets where both the principal and interest may be spent. The expendable trust fund includes the unemployment compensation insurance fund.

Agency Funds - The agency funds are used to account for the assets that the District holds on behalf of others as their agent. The agency funds are custodial in nature and do not involve measurement of results of operations. The agency funds include payroll, payroll agency, and student activities funds.

D. Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As 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". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Concluded)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and 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 grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets/Budgetary Control (Concluded)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned 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.

H. Cash, Cash Equivalents, and Investments

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

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

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash, Cash Equivalents, and Investments (Concluded)

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

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

I. Tuition Receivable

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

J. Tuition Payable

Tuition charges for the fiscal years 2017-18 and 2016-17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories

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

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

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods and services rendered to/from a particular fund in the District and that are due within one year. These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

N. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

- Site improvements - 15-20 years
- Buildings and improvements - 10-50 years
- Machinery and equipment - 5-20 years

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences

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

The entire compensated absence liability is reported on the government-wide financial statements. 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 represent a reconciling item between the fund level and district-wide presentations.

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 accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes are included.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources.

P. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Q. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-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, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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 balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purchases for which both restricted and unrestricted net position are available.

S. Fund Balance

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

Nonspendable

The nonspendable 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.

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, or 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 District's highest level of decision-making authority, which, for the 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.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance (Concluded)

Assigned

The assigned fund balance classification includes amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by 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. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

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 governmental 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, it is the policy of the District to spend restricted fund balance first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

T. 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, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function in Note 4 and is included in the expense column of the Statement of Activities. Depreciation expenses 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.

U. Use of Estimates

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

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Recent Accounting Pronouncements Not Yet Effective

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.

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.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." The impact of this statement, which is effective for fiscal periods beginning after June 15, 2018, on the District's financial reporting has not yet been determined.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – and Amendment of GASB Statements No. 14 and No. 61." This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. Although the District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2018, the District's bank balances were exposed to custodial credit risk as follows:

| | |
|---|----------------------|
| Insurance | \$ 250,000.00 |
| Uninsured and collateralized with securities held by pledging financial institutions | <u>3,690.09</u> |
| | <u>\$ 253,690.09</u> |

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$1.00 in the 2000-01 capital outlay budget, which was certified for taxes and 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 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 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 (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the excess 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 N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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, 2017 to June 30, 2018 fiscal year is as follows:

| | | |
|--|----|------------|
| Adjusted beginning balance, July 1, 2017 | \$ | 50,018.71 |
| Interest earnings | | 100.15 |
| Deposits: | | |
| Approved for the 2017-2018 Budget | | 50,000.00 |
| Ending balance, June 30, 2018 | \$ | 100,118.86 |

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects at June 30, 2018, is \$508,500.00.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year-end for the District's individual major and fiduciary funds, in the aggregate, are as follows:

| | General Fund | Special Revenue Fund | Total |
|---------|-----------------|----------------------------|--------------|
| | | | |
| State | \$ 26,248.00 | \$ - | \$ 26,248.00 |
| Federal | - | 5,256.59 | 5,256.59 |
| Other | - | 4,000.00 | 4,000.00 |
| Total | \$ 26,248.00 | \$ 9,256.59 | \$ 35,504.59 |

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 - GENERAL LONG-TERM DEBT (Concluded)

A. Bonds Payable

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 District are general obligation bonds.

On December 15, 2012, the District issued \$1,720,000.00 in general obligation bonds to refund the prior school bond issue. These bonds carry interest rates ranging from 2.00% to 3.00% and mature in 2024.

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

| Year ending June 30, | Principal | Interest | Total |
|----------------------|------------------------|----------------------|------------------------|
| 2019 | \$ 170,000.00 | \$ 26,500.00 | \$ 196,500.00 |
| 2020 | 170,000.00 | 23,100.00 | 193,100.00 |
| 2021 | 175,000.00 | 19,700.00 | 194,700.00 |
| 2022 | 180,000.00 | 16,200.00 | 196,200.00 |
| 2023-2024 | 360,000.00 | 16,050.00 | 376,050.00 |
| | <u>\$ 1,055,000.00</u> | <u>\$ 101,550.00</u> | <u>\$ 1,156,550.00</u> |

B. Bonds Authorized But Not Issued

As of June 30, 2018, the Board had no authorized but not issued bonds.

C. Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

D. Capital Leases Payable

As of June 30, 2018, the District had no capital leases outstanding.

E. Interest Expense

No interest expense was capitalized during the fiscal year ending June 30, 2018. Interest expense totaling \$29,800.00 was paid by the debt service fund for the fiscal year ending June 30, 2018.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 - OPERATING LEASES

The District renegotiated the prior copier lease for a commitment to lease three copiers under a new 60 month operating lease beginning May 5, 2015. Total operating lease expenditures for the year ended June 30, 2018 were \$6,588.72. Future minimum lease payments are as follows:

| Year Ending June 30 | Amount |
|-------------------------------------|--------------|
| 2019 | \$ 6,588.72 |
| 2020 | 6,039.66 |
| | |
| Total future minimum lease payments | \$ 12,628.38 |

NOTE 8 - PENSION PLANS

Description of Plans

Substantially all of the District's employees participate in one of the following pension plans which have been established by state statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 - PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Concluded)

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011 the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. 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, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The District is billed annually for its normal contribution plus any accrued liability.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 - PENSION PLANS (Continued)

The District's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

| Fiscal Year | Normal Contribution | Non- Accrued Liability | Contributory Life | Long-Term Disability | Total Liability | Paid By District |
|-------------|------------------------|------------------------------|----------------------|-------------------------|--------------------|---------------------|
| 2018 | \$ 4,464.00 | \$ 27,801.00 | \$ 1,653.00 | \$ 375.00 | \$ 34,293.00 | \$ 34,293.00 |
| 2017 | 5,009.00 | 25,493.00 | 1,522.00 | 176.00 | 32,200.00 | 32,200.00 |
| 2016 | 5,231.00 | 24,096.00 | 1,570.00 | - | 30,897.00 | 30,897.00 |
| 2015 | 4,556.00 | 21,073.00 | 1,736.00 | - | 27,365.00 | 27,365.00 |

For the year ended June 30, 2018, The District recognized pension expense of \$34,293.00. At June 30, 2018, 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 | \$ 11,780 | - |
| Changes of assumptions | - | \$ 68,012 |
| Net difference between projected and actual earning on pension plan investments | 8,127 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 19,478 | - |
| Employer contributions subsequent to the measurement date | 34,293 | - |
| | <u>\$ 73,678</u> | <u>\$ 68,012</u> |

\$34,293 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|--------------------|
| 2019 | \$ 10,286 |
| 2020 | 19,544 |
| 2021 | 5,467 |
| 2022 | (40,721) |
| 2023 | (23,203) |
| | <u>\$ (28,627)</u> |

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 - PENSION PLANS (Concluded)

Additional Information – Collective balances at June 30, 2016 and 2017, are as follows:

| | June 30, 2016 | June 30, 2017 |
|---|------------------|------------------|
| Collective deferred outflows of resources | \$ 7,815,204,785 | \$ 5,396,431,901 |
| Collective deferred inflows of resources | - | 4,672,602,040 |
| Collective net pension liability | 29,617,131,759 | 23,278,401,588 |
| District's proportion | 0.0036047405% | 0.0036612963% |

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life Insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The employee contributions along with the District's contribution of 3% for each pay are transmitted to Prudential Financial.

The District's contributions to the DCRP were as follows:

| Fiscal Year | Total Liability | Paid By District |
|-------------|-----------------|------------------|
| 2018 | \$ 10,508.94 | \$ 10,508.94 |
| 2017 | 9,753.65 | 9,753.65 |
| 2016 | 11,109.39 | 11,109.39 |
| 2015 | 9,902.68 | 9,902.68 |

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9: POST-EMPLOYMENT 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 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. 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. (GASB Cod. Sec. 2300.106(g)).

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

- **TPAF Participant Retirees**
As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf.
- **PERS Participant Retirees**
The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. Note that actual numbers will be published in the NJ State's CAFR at:

<https://www.nj.gov/treasury/omb/publications/archives.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2017, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

| | |
|------------------|--|
| Inflation | 2.50% |
| Salary increases | Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4. |
| Discount rate | 3.58% |

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Mortality rates were based on the RP-2014 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

The actuarial assumptions used in the June 30, 2016, valuation were based on the result of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

Changes in the Total OPEB Liability reported by the State of New Jersey:

| | Total OPEB Liability |
|--|--------------------------|
| Balance at 6/30/16 | <u>\$ 57,831,784,184</u> |
| Changes for the year: | |
| Service cost | 2,391,878,884 |
| Interest | 1,699,441,736 |
| Changes of benefit terms | |
| Differences between expected and actual experience | |
| Changes in assumptions or other inputs | (7,086,599,129) |
| Contributions - Member | 45,748,749 |
| Benefit payments | (1,242,412,566) |
| Net changes | <u>(4,191,942,326)</u> |
| Balance at 6/30/17 | <u>\$ 53,639,841,858</u> |

There were no changes in benefit terms during the year.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate. The following represents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

| | 1% Decrease 2.58% | Discount Rate 3.58% | 1% Increase 4.58% |
|--|----------------------|------------------------|----------------------|
| Total OPEB Liability (School Retirees) | \$ 63,674,362,200 | \$ 53,639,841,858 | \$ 45,680,364,953 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|--|-------------------|--------------------------------|-------------------|
| Total OPEB Liability (School Retirees) | \$ 44,113,584,560 | \$ 53,639,841,858 | \$ 66,290,599,457 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Board of Education recognized OPEB expense of \$445,513 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Wenonah School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Changes of assumptions | - | \$ 902,679 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 3,113 | - |
| | \$ 3,113 | \$ 902,679 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)

| Year Ended | | Amount |
|------------|----|-------------------|
| June 30, | | <u> </u> |
| 2019 | \$ | (105,335) |
| 2020 | | (105,335) |
| 2021 | | (105,335) |
| 2022 | | (105,335) |
| 2023 | | (105,335) |
| Thereafter | | <u>(372,891)</u> |
| | \$ | <u>(899,566)</u> |

NOTE 10 - ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs, post-retirement costs, and long-term disability insurance were \$211,584, \$136,558, and \$242.00 respectively.

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

Twelve-month professional employees, custodians, and support staff are eligible for vacation based on contract schedules with a maximum of twenty days in a fiscal year. Vacation days may be carried over according to the contracts.

By contract and state statute (N.J.S.A. 18A:30-3), instructional employees may accrue sick time. The contracts provide that upon retirement with fifteen years or more of service, an employee is eligible to receive a reimbursement of \$50 per day for their unused, accumulated sick leave days, to a maximum of \$15,000. Non-instructional employees may accumulate all unused sick leave days.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 - DEFERRED COMPENSATION

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

Lincoln Investments
AXA Equitable Insurance

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, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2018 for the joint insurance pool. As of June 30, 2017, the fund had a projected surplus of \$3,857,297 of which the District has a proportionate share in the amount of \$28,531.

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

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2017-2018 | \$ 65.35 | \$ 3,730.40 | \$ 7,087.11 | \$ 30,168.32 |
| 2016-2017 | 63.48 | 6,624.75 | 7,076.03 | 33,459.68 |
| 2015-2016 | 67.36 | 6,742.48 | 6,070.49 | 33,850.48 |
| 2014-2015 | 113.62 | 4,493.33 | 120.00 | 33,111.13 |

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed at June 30, 2018:

| Fund | Interfund Receivable | Interfund Payable |
|-----------------------|-------------------------|----------------------|
| General fund | \$ 3,906.43 | \$ - |
| Special revenue fund | - | 2,906.43 |
| Trust and agency fund | - | 1,000.00 |
| | <u>\$ 3,906.43</u> | <u>\$ 3,906.43</u> |

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

NOTE 15 – LABOR CONTRACT

As of June 30, 2018, the District has a total of 40 employees. Of this total, 26 employees are represented by the Wenonah Education Association (WEA). The union agreement expires on June 30, 2019.

NOTE 16 – TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Borough of Wenonah did not have any tax abatements for the year ending December 31, 2017.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 17 - FUND BALANCE APPROPRIATED

The District has classified its fund balances with the following hierarchy:

Nonspendable

The District does not have any nonspendable funds.

Spendable

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

Restricted

General Fund – In accordance with N.J.S.A. 18A:7F-7. \$12,207.73 is restricted as excess surplus.

Capital Reserve - As of June 30, 2018, the balance in the capital reserve account is \$100,118.86 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Assigned

Designated by the Board of Education for subsequent year's expenditures - The District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018, \$30,000.00 of general fund balance and \$0.00 of debt service fund balance at June 30, 2018.

Other purposes - As of June 30, 2018, the District had \$5,805.28 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Unassigned

This is the remainder of the District's equity in the governmental fund types. The total balance is \$231,009.59 as of June 30, 2018, of which \$231,009.00 is in the general fund and \$.59 is in the debt service fund.

NOTE 18 - CALCULATION OF EXCESS SURPLUS

The designation for reserved fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 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 year's budget. The excess fund balance at June 30, 2018, is \$12,207.73. The excess fund balance at June 30, 2017, was \$0.00.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 19 - CONTINGENT LIABILITIES

The Board is not involved in any claims or lawsuits incidental to its operations that will, in the opinion of the administration and legal counsel, have a material adverse effect on the financial position of the District.

NOTE 20 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and January 17, 2019, the date which the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

NOTE 21 - CHANGE IN ACCOUNTING PRINCIPLE

During the year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" whose primary objective is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures for OPEB.

The effect of this change was to decrease fiscal year ended June 30, 2017, net position by \$8,225,163.00 which is the prior period adjustment of net OPEB liability. Financial statements for the fiscal year ended June 30, 2017, have not been restated, and the cumulative effect of the change totaling \$8,225,163.00 is shown as a one-time debit to net position in the fiscal year ended June 30, 2018, Statement of Activities.

Required Supplementary Information - Part II

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 2,651,137.00 | \$ 0.00 | \$ 2,651,137.00 | \$ 2,651,137.00 | \$ 0.00 |
| Tuition - Individuals | 32,625.00 | 0.00 | 32,625.00 | 40,950.00 | 8,325.00 |
| Tuition - Other | 0.00 | 0.00 | 0.00 | 1,500.00 | 1,500.00 |
| Interest earned on capital reserve funds | 0.00 | 0.00 | 0.00 | 100.15 | 100.15 |
| Unrestricted miscellaneous revenues | 2,000.00 | 0.00 | 2,000.00 | 4,784.35 | 2,784.35 |
| Total local sources | 2,685,762.00 | 0.00 | 2,685,762.00 | 2,698,471.50 | 12,709.50 |
| State sources: | | | | | |
| Equalization aid | 348,977.00 | 0.00 | 348,977.00 | 348,977.00 | 0.00 |
| Categorical special education aid | 140,582.00 | 0.00 | 140,582.00 | 140,582.00 | 0.00 |
| Categorical security aid | 3,555.00 | 0.00 | 3,555.00 | 3,555.00 | 0.00 |
| Categorical transportation aid | 1,070.00 | 0.00 | 1,070.00 | 1,070.00 | 0.00 |
| Under adequacy aid | 120.00 | 0.00 | 120.00 | 120.00 | 0.00 |
| PARCC readiness aid | 2,190.00 | 0.00 | 2,190.00 | 2,190.00 | 0.00 |
| Per pupil growth aid | 2,190.00 | 0.00 | 2,190.00 | 2,190.00 | 0.00 |
| Professional learning communities | 1,810.00 | 0.00 | 1,810.00 | 1,810.00 | 0.00 |
| Extra-Ordinary Aid | 0.00 | 0.00 | 0.00 | 22,478.00 | 22,478.00 |
| Other state aids | 0.00 | 0.00 | 0.00 | 14,576.00 | 14,576.00 |
| TPAF - Pension (on-behalf - non-budgeted) | 0.00 | 0.00 | 0.00 | 211,584.00 | 211,584.00 |
| TPAF - Post retirement medical (on-behalf - non-budgeted) | 0.00 | 0.00 | 0.00 | 136,658.00 | 136,658.00 |
| TPAF - Long-term disability insurance (on-behalf - non-budgeted) | 0.00 | 0.00 | 0.00 | 242.00 | 242.00 |
| Reimbursed T.P.A.F. social security contributions (non-budgeted) | 0.00 | 0.00 | 0.00 | 104,324.82 | 104,324.82 |
| Total state sources | 500,494.00 | 0.00 | 500,494.00 | 990,356.82 | 489,862.82 |
| Total revenues | 3,186,256.00 | 0.00 | 3,186,256.00 | 3,688,828.32 | 502,572.32 |

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE: | | | | | |
| Regular programs - instruction: | | | | | |
| Salaries of teachers: | | | | | |
| Kindergarten | \$ 106,978.00 | \$ 53,906.96 | \$ 160,884.96 | \$ 160,320.00 | \$ 564.96 |
| Grades 1-5 | 998,036.00 | (181,804.06) | 816,231.94 | 802,577.31 | 13,654.63 |
| Grades 6-8 | 174,745.00 | 4,053.84 | 178,798.84 | 177,878.98 | 919.86 |
| Home instruction: | | | | | |
| Salaries of teachers | 220.00 | 7.90 | 227.90 | 227.90 | 0.00 |
| Regular programs - undistributed instruction: | | | | | |
| Purchased professional-educational services | 5,130.00 | 1,057.50 | 6,187.50 | 6,187.50 | 0.00 |
| Purchased professional-technical services | 650.00 | (550.00) | 100.00 | 100.00 | 0.00 |
| Other purchased services | 21,855.00 | (250.00) | 21,605.00 | 13,705.81 | 7,899.19 |
| Communications/telephone | 4,061.00 | 558.89 | 4,619.89 | 4,600.98 | 18.91 |
| General supplies | 72,499.00 | 6,891.91 | 79,390.91 | 18,489.68 | 60,901.23 |
| Textbooks | 11,000.00 | (11,000.00) | 0.00 | 0.00 | 0.00 |
| Other objects | 3,500.00 | 475.87 | 3,975.87 | 3,975.87 | 0.00 |
| Total regular programs | <u>1,398,674.00</u> | <u>(126,651.19)</u> | <u>1,272,022.81</u> | <u>1,188,064.03</u> | <u>83,958.78</u> |
| Resource room/resource center: | | | | | |
| Salaries of teachers | 63,454.00 | 41,902.98 | 105,356.98 | 104,609.70 | 747.28 |
| Other salaries for instruction | 5,773.00 | (5,773.00) | 0.00 | 0.00 | 0.00 |
| Purchased professional-educational services | 8,000.00 | (8,000.00) | 0.00 | 0.00 | 0.00 |
| General supplies | 1,000.00 | (189.37) | 810.63 | 810.63 | 0.00 |
| Total resource room/resource center | <u>78,227.00</u> | <u>27,940.61</u> | <u>106,167.61</u> | <u>105,420.33</u> | <u>747.28</u> |

EXHIBIT C-1
(Continued)

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Preschool disabilities - part time: | | | | | |
| Salaries of teachers | \$ 35,235.00 | \$ (606.30) | \$ 34,628.70 | \$ 34,505.00 | \$ 123.70 |
| Other salaries for instruction | 7,364.00 | 5,646.12 | 13,010.12 | 12,314.59 | 695.53 |
| General supplies | 475.00 | 68.65 | 543.65 | 543.65 | 0.00 |
| Total preschool disabilities - part time | <u>43,074.00</u> | <u>5,108.47</u> | <u>48,182.47</u> | <u>47,363.24</u> | <u>819.23</u> |
| Home instruction: | | | | | |
| Salaries of teachers | 493.98 | 539.68 | 1,033.66 | 1,033.66 | 0.00 |
| Total home instruction | <u>493.98</u> | <u>539.68</u> | <u>1,033.66</u> | <u>1,033.66</u> | <u>0.00</u> |
| Total special education | <u>121,794.98</u> | <u>33,588.76</u> | <u>155,383.74</u> | <u>153,817.23</u> | <u>1,566.51</u> |
| Basic skills/remedial - instruction: | | | | | |
| Salaries of teachers | 91,090.00 | (20,904.88) | 70,185.12 | 69,775.08 | 410.04 |
| Purch Prof/Educ Svc | 0.00 | 2,370.00 | 2,370.00 | 2,370.00 | 0.00 |
| General supplies | 1,000.00 | 1,025.00 | 2,025.00 | 2,025.00 | 0.00 |
| Total basic skills/remedial - instruction | <u>92,090.00</u> | <u>(17,509.88)</u> | <u>74,580.12</u> | <u>74,170.08</u> | <u>410.04</u> |
| School sponsored cocurricular/extracurricular activities - instruction: | | | | | |
| Salaries | 10,880.00 | 1,364.61 | 12,244.61 | 12,244.61 | 0.00 |
| Supplies and materials | 200.00 | 1.74 | 201.74 | 44.06 | 157.68 |
| Other objects | 500.00 | 0.00 | 500.00 | 481.95 | 18.05 |
| Total school sponsored cocurricular/extracurricular activities - instruction | <u>11,580.00</u> | <u>1,366.35</u> | <u>12,946.35</u> | <u>12,770.62</u> | <u>175.73</u> |
| Before/after school programs - instruction: | | | | | |
| Salaries of teacher tutors | 300.00 | (300.00) | 0.00 | 0.00 | 0.00 |
| Total before/after school programs - instruction | <u>300.00</u> | <u>(300.00)</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |

EXHIBIT C-1
(Continued)

BOROUGH OF WENONAH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|---------------------|-----------------|-------------|-----------------------------|
| Summer school - instruction: | | | | | |
| Salaries of teachers | \$ 3,298.00 | \$ (0.83) | \$ 3,297.17 | \$ 3,297.17 | \$ 0.00 |
| Other salaries for instruction | 890.00 | (136.22) | 753.78 | 753.78 | 0.00 |
| Salaries of teacher tutors | 521.00 | (0.08) | 520.92 | 520.92 | 0.00 |
| Total summer school - instruction | 4,709.00 | (137.13) | 4,571.87 | 4,571.87 | 0.00 |
| Summer school - support services: | | | | | |
| Salaries | 750.00 | 0.00 | 750.00 | 750.00 | 0.00 |
| Total summer school - support services | 750.00 | 0.00 | 750.00 | 750.00 | 0.00 |
| Total summer school | 5,459.00 | (137.13) | 5,321.87 | 5,321.87 | 0.00 |
| Community Services Transfer Out- PSD Extended Day | 8,621.00 | (861.00) | 7,760.00 | 2,345.55 | 5,414.45 |
| Total instruction | 239,844.98 | 16,147.10 | 255,992.08 | 248,425.35 | 7,566.73 |
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEAs within the State - special | 13,939.00 | 2,799.00 | 16,738.00 | 16,738.00 | 0.00 |
| Tuition to private schools for the handicapped | 0.00 | 119,476.50 | 119,476.50 | 119,476.50 | 0.00 |
| Tuition - other | 2,800.00 | 0.00 | 2,800.00 | 2,800.00 | 0.00 |
| Total instruction | 16,739.00 | 122,275.50 | 139,014.50 | 139,014.50 | 0.00 |
| Attendance and social work services: | | | | | |
| Salaries | 12,954.00 | (0.72) | 12,953.28 | 12,953.28 | 0.00 |
| Purchased professional educational services | 5,180.00 | 0.00 | 5,180.00 | 5,180.00 | 0.00 |
| Total attendance and social work services | 18,134.00 | (0.72) | 18,133.28 | 18,133.28 | 0.00 |

**EXHIBIT C-1
(Continued)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Health services: | | | | | |
| Salaries | \$ 59,052.00 | \$ 2,176.00 | \$ 61,228.00 | \$ 61,228.00 | \$ 0.00 |
| Purchased professional and technical services | 2,085.00 | 4,751.08 | 6,836.08 | 3,338.50 | 3,497.58 |
| General supplies | 6,405.50 | (2,518.55) | 3,886.95 | 3,886.95 | 0.00 |
| Total health services | 67,542.50 | 4,408.53 | 71,951.03 | 68,453.45 | 3,497.58 |
| Speech OT, PT and related services: | | | | | |
| Salaries | 30,159.00 | 9,334.46 | 39,493.46 | 37,783.46 | 1,710.00 |
| Purchased professional educational services | 27,200.00 | (23,757.50) | 3,442.50 | 2,254.50 | 1,188.00 |
| General supplies | 1,455.00 | (1,445.46) | 9.54 | 9.54 | (0.00) |
| Total speech OT, PT and related services | 58,814.00 | (15,868.50) | 42,945.50 | 40,047.50 | 2,898.00 |
| Other support services - students - extraordinary services: | | | | | |
| Salaries | 74,166.00 | 19,667.89 | 93,833.89 | 89,447.29 | 4,386.60 |
| Total other support services - students - extraordinary services | 74,166.00 | 19,667.89 | 93,833.89 | 89,447.29 | 4,386.60 |
| Guidance: | | | | | |
| Salaries of other professional staff | 38,349.06 | 6,738.76 | 45,087.82 | 45,087.82 | 0.00 |
| Purchased professional educational services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| General supplies | 350.00 | 466.40 | 816.40 | 816.40 | 0.00 |
| Total guidance | 38,699.06 | 7,205.16 | 45,904.22 | 45,904.22 | 0.00 |

**EXHIBIT C-1
(Continued)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Child study teams: | | | | | |
| Salaries of other professional staff | \$ 350.00 | \$ (350.00) | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Purchased professional educational services | 76,883.00 | (4,716.54) | 72,166.46 | 71,496.13 | 670.33 |
| Total child study teams | <u>77,233.00</u> | <u>(5,066.54)</u> | <u>72,166.46</u> | <u>71,496.13</u> | <u>670.33</u> |
| Improvement of instruction services: | | | | | |
| Purchased professional educational services | 34,364.00 | 0.00 | 34,364.00 | 34,364.00 | 0.00 |
| Total improvement of instruction services | <u>34,364.00</u> | <u>0.00</u> | <u>34,364.00</u> | <u>34,364.00</u> | <u>0.00</u> |
| Educational media services/school library: | | | | | |
| Salaries | 17,822.00 | (0.60) | 17,821.40 | 17,821.40 | 0.00 |
| Salary of technology coordinators | 4,500.00 | 0.00 | 4,500.00 | 4,500.00 | 0.00 |
| Purchased professional and technical services | 1,029.00 | 0.00 | 1,029.00 | 1,029.00 | 0.00 |
| General supplies | 2,175.00 | (1,708.32) | 466.68 | 417.68 | 49.00 |
| Total educational media services/school library | <u>25,526.00</u> | <u>(1,708.92)</u> | <u>23,817.08</u> | <u>23,768.08</u> | <u>49.00</u> |
| Training services - instructional staff: | | | | | |
| Salaries of other professional staff | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other purchased services | 2,500.00 | (2,059.29) | 440.71 | 440.71 | 0.00 |
| General supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total training services - instructional staff | <u>2,500.00</u> | <u>(2,059.29)</u> | <u>440.71</u> | <u>440.71</u> | <u>0.00</u> |

EXHIBIT C-1
(Continued)

BOROUGH OF WENONAH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Support services - general administration: | | | | | |
| Salaries | \$ 143,940.00 | \$ (80.16) | \$ 143,859.84 | \$ 143,859.84 | \$ 0.00 |
| Legal services | 3,500.00 | (0.13) | 3,499.87 | 2,034.00 | 1,465.87 |
| Audit fees | 9,400.00 | (250.00) | 9,150.00 | 9,150.00 | 0.00 |
| Other purchased professional services | 4,990.00 | 134.16 | 5,124.16 | 5,124.16 | 0.00 |
| Communications/telephone | 2,439.00 | (1,075.80) | 1,363.20 | 393.31 | 969.89 |
| BOE other purchased services | 900.00 | 148.00 | 1,048.00 | 1,048.00 | 0.00 |
| Miscellaneous purchased services | 10,062.00 | (407.00) | 9,655.00 | 7,895.38 | 1,759.62 |
| General supplies | 650.00 | 204.25 | 854.25 | 647.81 | 206.44 |
| BOE Supplies | | 99.34 | 99.34 | 99.34 | 0.00 |
| Miscellaneous expenditures | 3,700.00 | (260.00) | 3,440.00 | 2,484.70 | 955.30 |
| BOE membership dues and fees | 2,200.00 | (9.30) | 2,190.70 | 2,190.70 | 0.00 |
| Total support services - general administration | <u>181,781.00</u> | <u>(1,496.64)</u> | <u>180,284.36</u> | <u>174,927.24</u> | <u>5,357.12</u> |
| Support services - school administration: | | | | | |
| Salaries of other professional staff | 3,000.00 | 0.00 | 3,000.00 | 3,000.00 | 0.00 |
| Salaries of secretarial and clerical assistants | 12,853.00 | (0.50) | 12,852.50 | 12,852.48 | 0.02 |
| Other purchased services | 2,625.00 | 341.29 | 2,966.29 | 2,681.24 | 285.05 |
| General supplies | 250.00 | (2.71) | 247.29 | 247.29 | 0.00 |
| Total support services - school administration | <u>18,728.00</u> | <u>338.08</u> | <u>19,066.08</u> | <u>18,781.01</u> | <u>285.07</u> |
| Central services: | | | | | |
| Salaries | 112,276.00 | (5,000.89) | 107,275.11 | 107,275.05 | 0.06 |
| Purchased professional educational services | 850.00 | 0.00 | 850.00 | 850.00 | 0.00 |
| Purchased technical services | 11,080.00 | 3,391.94 | 14,471.94 | 13,659.41 | 812.53 |
| Miscellaneous purchased services | 500.00 | 325.00 | 825.00 | 787.93 | 37.07 |
| General supplies | 800.00 | 1,083.78 | 1,883.78 | 1,883.78 | 0.00 |
| Miscellaneous expenditures | 900.00 | 13.45 | 913.45 | 913.45 | 0.00 |
| Total central services | <u>126,406.00</u> | <u>(186.72)</u> | <u>126,219.28</u> | <u>125,369.62</u> | <u>849.66</u> |

EXHIBIT C-1
(Continued)

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Administrative information technology: | | | | | |
| Purchased technical services | \$ 2,168.00 | \$ (1,592.04) | \$ 575.96 | \$ 350.00 | \$ 225.96 |
| Total administrative information technology: | <u>2,168.00</u> | <u>(1,592.04)</u> | <u>575.96</u> | <u>350.00</u> | <u>225.96</u> |
| Required maintenance for school facilities: | | | | | |
| Cleaning, repair, and maintenance services | 16,500.00 | (25.66) | 16,474.34 | 16,471.04 | 3.30 |
| General supplies | 1,700.00 | (822.00) | 878.00 | 0.00 | 878.00 |
| Total required maintenance for school facilities | <u>18,200.00</u> | <u>(847.66)</u> | <u>17,352.34</u> | <u>16,471.04</u> | <u>881.30</u> |
| Custodial services: | | | | | |
| Salaries | 109,127.00 | (27,911.51) | 81,215.49 | 81,215.49 | 0.00 |
| Salaries of non-instructional aides | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased professional and technical services | 750.00 | 10,237.50 | 10,987.50 | 10,987.50 | 0.00 |
| Cleaning, repair, and maintenance services | 1,502.00 | 36,936.25 | 38,438.25 | 38,438.25 | 0.00 |
| Other purchased property services | 4,000.00 | (646.08) | 3,353.92 | 3,353.92 | 0.00 |
| Insurance | 10,224.00 | 495.00 | 10,719.00 | 10,719.00 | 0.00 |
| Miscellaneous purchased services | 225.00 | (185.63) | 39.37 | 39.37 | 0.00 |
| General supplies | 9,000.00 | 4,069.58 | 13,069.58 | 13,069.58 | 0.00 |
| Energy (natural gas) | 25,000.00 | (1,385.26) | 23,614.74 | 23,370.67 | 244.07 |
| Energy (electricity) | 40,000.00 | (14,190.53) | 25,809.47 | 24,754.60 | 1,054.87 |
| Other objects | 1,016.00 | (180.00) | 836.00 | 836.00 | 0.00 |
| Total custodial services | <u>200,844.00</u> | <u>7,239.32</u> | <u>208,083.32</u> | <u>206,784.38</u> | <u>1,298.94</u> |

**EXHIBIT C-1
(Continued)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Care and upkeep of grounds: | | | | | |
| Cleaning, repair, and maintenance services | \$ 6,375.00 | \$ (919.26) | \$ 5,455.74 | \$ 4,155.74 | \$ 1,300.00 |
| General supplies | 1,800.00 | (1,121.61) | 678.39 | 678.39 | 0.00 |
| Total care and upkeep of grounds | <u>8,175.00</u> | <u>(2,040.87)</u> | <u>6,134.13</u> | <u>4,834.13</u> | <u>1,300.00</u> |
| Security: | | | | | |
| Cleaning, repair, and maintenance services | 3,000.00 | 1,450.40 | 4,450.40 | 4,450.40 | 0.00 |
| General supplies | 1,000.00 | 25.91 | 1,025.91 | 563.91 | 462.00 |
| Total security | <u>4,000.00</u> | <u>1,476.31</u> | <u>5,476.31</u> | <u>5,014.31</u> | <u>462.00</u> |
| Student transportation services: | | | | | |
| Contracted services (other than between home and school) - vendors | 5,900.00 | (50.00) | 5,850.00 | 3,570.25 | 2,279.75 |
| Contracted services (special education) - joint agreements | 12,000.00 | 24,635.21 | 36,635.21 | 32,643.10 | 3,992.11 |
| Contracted services - aid in lieu of payments | 15,912.00 | (3,612.00) | 12,300.00 | 12,300.00 | 0.00 |
| Total student transportation services | <u>33,812.00</u> | <u>20,973.21</u> | <u>54,785.21</u> | <u>48,513.35</u> | <u>6,271.86</u> |

**EXHIBIT C-1
(Continued)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Allocated benefits: | | | | | |
| Regular programs - instruction: | | | | | |
| Health benefits | \$ 246,998.00 | \$ (41,936.03) | \$ 205,061.97 | \$ 204,437.85 | \$ 624.12 |
| Tuition reimbursement | 5,000.00 | (5,000.00) | 0.00 | 0.00 | 0.00 |
| Other employee benefits | 10,000.00 | 2,500.00 | 12,500.00 | 10,000.00 | 2,500.00 |
| Special programs - instruction: | | | | | |
| Health benefits | 69,081.00 | (5,208.52) | 63,872.48 | 63,872.48 | 0.00 |
| Tuition reimbursement | 0.00 | 2,500.00 | 2,500.00 | 2,500.00 | 0.00 |
| Attendance and social work services: | | | | | |
| Health benefits | 7,773.00 | (72.18) | 7,700.82 | 7,700.82 | 0.00 |
| Health services: | | | | | |
| Health benefits | 19,200.00 | (9,158.46) | 10,041.54 | 10,041.54 | 0.00 |
| Tuition reimbursement | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Support services - general administration: | | | | | |
| Health benefits | 36,994.00 | 1,135.52 | 38,129.52 | 38,129.52 | 0.00 |
| Other employee benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Support services - central services: | | | | | |
| Health benefits | 13,202.00 | 2,230.60 | 15,432.60 | 15,432.60 | 0.00 |
| Other employee benefits | 2,500.00 | 625.00 | 3,125.00 | 3,125.00 | 0.00 |
| Operation and maintenance of plant services: | | | | | |
| Health benefits | 33,911.00 | (519.41) | 33,391.59 | 33,391.59 | 0.00 |
| Other employee benefits | 2,500.00 | (1,500.00) | 1,000.00 | 1,000.00 | 0.00 |
| Total allocated benefits | <u>447,159.00</u> | <u>(54,403.48)</u> | <u>392,755.52</u> | <u>389,631.40</u> | <u>3,124.12</u> |

**EXHIBIT C-1
(Continued)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Unallocated benefits: | | | | | |
| Social security contributions | \$ 60,000.00 | \$ (10,050.00) | \$ 49,950.00 | \$ 45,343.93 | \$ 4,606.07 |
| Other retirement contributions - PERS | 34,499.00 | (205.53) | 34,293.47 | 34,293.47 | 0.00 |
| Other retirement contributions - regular | 15,000.00 | (4,000.00) | 11,000.00 | 10,508.94 | 491.06 |
| Workmen's compensation | 13,924.00 | (9.00) | 13,915.00 | 13,915.00 | 0.00 |
| Other employee benefits | 3,820.00 | (970.00) | 2,850.00 | 2,850.00 | 0.00 |
| Unused sick payments | 175.00 | 4,250.00 | 4,425.00 | 4,425.00 | 0.00 |
| Total unallocated benefits | <u>127,418.00</u> | <u>(10,984.53)</u> | <u>116,433.47</u> | <u>111,336.34</u> | <u>5,097.13</u> |
| On-behalf TPAF pension contribution (non-budgeted) | 0.00 | 0.00 | 0.00 | 211,584.00 | (211,584.00) |
| On-behalf TPAF OPEB (post retirement medical) contribution (non-budgeted) | 0.00 | 0.00 | 0.00 | 136,658.00 | (136,658.00) |
| TPAF - Long-term disability insurance (on-behalf - non-budgeted) | 0.00 | 0.00 | 0.00 | 242.00 | (242.00) |
| Reimbursed T.P.A.F. social security contributions (non-budgeted) | 0.00 | 0.00 | 0.00 | 104,324.82 | (104,324.82) |
| Total on-behalf contributions | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>452,808.82</u> | <u>(452,808.82)</u> |
| Total undistributed expenditures | <u>1,582,408.56</u> | <u>87,328.09</u> | <u>1,669,736.65</u> | <u>2,085,890.80</u> | <u>(416,154.15)</u> |
| Total expenditures - current expense | <u>3,220,927.54</u> | <u>(23,176.00)</u> | <u>3,197,751.54</u> | <u>3,522,380.18</u> | <u>(324,628.64)</u> |
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Undistributed expenditures - required maintenance for school facilities | 41,962.48 | 23,176.00 | 65,138.48 | 61,143.48 | 3,995.00 |
| Undistributed expenditures - roofing | 50,000.00 | 0.00 | 50,000.00 | 3,840.00 | 46,160.00 |
| Total facilities acquisition and construction services | <u>91,962.48</u> | <u>23,176.00</u> | <u>115,138.48</u> | <u>64,983.48</u> | <u>50,155.00</u> |
| Facilities acquisition and construction services: | | | | | |
| Assessment for debt service on SDA funding | 10,349.00 | 0.00 | 10,349.00 | 10,349.00 | 0.00 |
| Total facilities acquisition and construction services | <u>10,349.00</u> | <u>0.00</u> | <u>10,349.00</u> | <u>10,349.00</u> | <u>0.00</u> |

**EXHIBIT C-1
(Concluded)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|----------------------|---------------------|--|----------------------|-----------------------------|
| Total capital outlay | \$ 102,311.48 | \$ 23,176.00 | \$ 125,487.48 | \$ 75,332.48 | \$ 50,155.00 |
| Total expenditures | 3,323,239.02 | (0.00) | 3,323,239.02 | 3,597,712.66 | (274,473.64) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (136,983.02) | 0.00 | (136,983.02) | 91,115.66 | 228,098.68 |
| Fund balances - July 1 | 333,264.21 | 0.00 | 333,264.21 | 333,264.21 | 0.00 |
| Fund balances - June 30 | <u>\$ 196,281.19</u> | <u>\$ 0.00</u> | <u>\$ 196,281.19</u> | <u>\$ 424,379.87</u> | <u>\$ 228,098.68</u> |
| Recapitulation: | | | | | |
| Restricted fund balance: | | | | | |
| Excess surplus current year | | | | \$ 12,207.73 | |
| Capital reserve | | | | 118.86 | |
| Capital reserve designated for subsequent year's expenditures | | | | 100,000.00 | |
| Assigned: | | | | | |
| Designated for subsequent year's expenditures | | | | 30,000.00 | |
| Year-end encumbrances | | | | 5,805.28 | |
| Unassigned fund balance | | | | <u>276,248.00</u> | |
| Total fund balance | | | | 424,379.87 | |
| Reconciliation to governmental funds statements (GAAP): | | | | | |
| Last state aid payments not recognized on GAAP basis | | | | <u>(45,239.00)</u> | |
| | | | | <u>\$ 379,140.87</u> | |
| | | | Fund balance per governmental funds (GAAP) | <u>\$ 379,140.87</u> | |

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual (Budgetary Basis) | Variance Final To Actual |
|--|--------------------|---------------------|------------------|--------------------------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources | \$ 13,292.37 | \$ 0.00 | \$ 13,292.37 | 11,182.21 | \$ 2,110.16 |
| Federal sources | 57,760.00 | 0.00 | 57,760.00 | 57,458.59 | 301.41 |
| Total revenues | <u>71,052.37</u> | <u>0.00</u> | <u>71,052.37</u> | <u>68,640.80</u> | <u>2,411.57</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other salaries for instruction | 3,244.00 | 0.00 | 3,244.00 | 3,244.00 | 0.00 |
| Purchased professional technical services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tuition | 36,722.00 | 0.00 | 36,722.00 | 36,722.00 | 0.00 |
| Supplies and materials | 16,629.37 | 0.00 | 16,629.37 | 14,309.21 | 2,320.16 |
| Total instruction | <u>56,595.37</u> | <u>0.00</u> | <u>56,595.37</u> | <u>54,275.21</u> | <u>2,320.16</u> |
| Support services: | | | | | |
| Salaries of supervisor of instruction | 1,152.00 | 0.00 | 1,152.00 | 1,152.00 | 0.00 |
| Personal services - employee benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased professional technical services | 12,704.40 | 0.00 | 12,704.40 | 12,612.99 | 91.41 |
| General supplies | 600.60 | 0.00 | 600.60 | 600.60 | 0.00 |
| Total support services | <u>14,457.00</u> | <u>0.00</u> | <u>14,457.00</u> | <u>14,365.59</u> | <u>91.41</u> |
| Total expenditures | <u>71,052.37</u> | <u>0.00</u> | <u>71,052.37</u> | <u>68,640.80</u> | <u>2,411.57</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> |

Required Supplementary Information - Part II

BOROUGH OF WENONAH SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note To Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|------------------------|-----------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | \$ 3,688,828.32 | \$ 68,640.80 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized | 0.00 | (4,240.00) |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 42,035.00 | 0.00 |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(45,239.00)</u> | <u>0.00</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 3,685,624.32</u> | <u>\$ 64,400.80</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 3,597,712.66 | \$ 68,640.80 |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | <u>0.00</u> | <u>(4,240.00)</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 3,597,712.66</u> | <u>\$ 64,400.80</u> |

Required Supplementary Information - Part III

**BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Three Fiscal Years**

| | Fiscal Year Ended | | |
|---|-------------------|---------------|---------------|
| | June 30, 2018 | June 30, 2017 | June 30, 2016 |
| District's proportion of the net pension liability (asset) | 0.0036612963% | 0.0036047405% | 0.0035937952% |
| District's proportionate share of the net pension liability (asset) | \$ 852,291 | \$ 1,067,621 | \$ 806,735 |
| District's covered - employee payroll | 214,189 | 232,914 | 251,180 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 397.92% | 458.38% | 321.18% |
| Plan fiduciary net position as a percentage of the total pension liability | 48.10% | 40.14% | 47.93% |
| Measurement date | June 30, 2017 | June 30, 2016 | June 30, 2015 |

**BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Three Fiscal Years**

| | Fiscal Year Ended | | |
|--|-------------------|---------------|---------------|
| | June 30, 2018 | June 30, 2017 | June 30, 2016 |
| Contractually required contribution | \$ 33,918 | \$ 32,024 | \$ 30,897 |
| Contributions in relation to the contractually required contribution | 33,918 | 32,024 | 30,897 |
| Contribution deficiency (excess) | None | None | None |
| District's covered - employee payroll | \$ 214,189 | \$ 232,914 | \$ 251,180 |
| Contributions as a percentage of covered-employee payroll | 15.84% | 13.75% | 12.30% |

BOROUGH OF WENONAH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
Last Three Fiscal Years

| | Fiscal Year Ended | | |
|---|-------------------|---------------|---------------|
| | June 30, 2018 | June 30, 2017 | June 30, 2016 |
| District's proportion of the net pension liability (asset) | 0.0141541703% | 0.0133539335% | 0.0138760491% |
| District's proportionate share of the net pension liability (asset) | \$ 9,546,252 | \$ 10,505,054 | \$ 8,770,256 |
| District's covered - employee payroll | 1,376,540 | 1,393,463 | 1,423,504 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll | 693.50% | 753.88% | 616.10% |
| Plan fiduciary net position as a percentage of the total pension liability | 25.41% | 22.33% | 28.71% |
| Measurement date | June 30, 2017 | June 30, 2016 | June 30, 2015 |

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 GASBS 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.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

BOROUGH OF WENONAH SCHOOL DISTRICT
Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Fiscal Year

| | Fiscal Year Ended |
|--|-------------------|
| | 2018 |
| Total OPEB Liability | |
| Service cost | \$ 309,029 |
| Interest | 240,815 |
| Changes of benefit terms | |
| Differences between expected and actual experience | |
| Changes of assumptions or other inputs | (972,114) |
| Member contributions | 6,510 |
| Benefit payments | (176,788) |
| Net change in total OPEB liability | (592,548) |
| Total OPEB liability - beginning | 8,225,163 |
| Total OPEB liability - ending | \$ 7,632,615 |
| Covered employee payroll | \$ 1,785,015 |
| Total OPEB liability as a percentage of covered employee payroll | 427.59% |

Notes to Schedule:

Changes of benefit terms:

There were no changes in benefit terms during the year.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

| | |
|------|-------|
| 2018 | 3.58% |
|------|-------|

Notes to the Required Supplementary Information - Part III

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III
JUNE 30, 2018

NOTES RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by N.J.S.A. 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 collective total pension liability for the June 30, 2017, measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|---------------------------|
| Inflation rate | 2.25% |
| Salary increases: | |
| Through 2026 | 1.65 – 4.15% based on age |
| Thereafter | 2.65 – 5.15% based on age |
| Investment rate of return | 7.00% |

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service 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 (setback 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 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.state.nj.us/treasury/pensions/gasb-notices.shtml>.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III
JUNE 30, 2018

NOTES RELATED TO OTHER POST-EMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires on a disability pension from one or more of the following plans: the Teacher’s Pension and Annuity Fund (TPAF) or the Public Employees’ Retirement System (PERS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016, was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|--------------------------|--|
| Inflation rate | 2.50% |
| Salary increases (TPAF): | |
| Through 2026 | 1.55 – 4.55% based on years of service |
| Thereafter | 2.00 – 5.45% based on years of service |
| Salary increases (PERS): | |
| Through 2026 | 2.15 – 4.15% based on age |
| Thereafter | 3.15 – 5.15% based on age |

Pre-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014, for TPAF and PERS, respectively.

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.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Other Supplementary Information

BOROUGH OF WENONAH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2018

| | I.D.E.A. - Part B Basic Regular Program | I.D.E.A. - Part B Preschool Program | NCLB - Title I Part A | NCLB - Title II Part A | NCLB - Title IV Part A | Local Programs | Total |
|--|---|--|-----------------------------|------------------------------|------------------------------|---------------------|---------------------|
| REVENUES: | | | | | | | |
| Local sources | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 11,182.21 | \$ 11,182.21 |
| Federal sources | 41,558.00 | 3,244.00 | 3,127.00 | 3,739.59 | 5,790.00 | 0.00 | 57,458.59 |
| Total revenues | \$ 41,558.00 | \$ 3,244.00 | \$ 3,127.00 | \$ 3,739.59 | \$ 5,790.00 | \$ 11,182.21 | \$ 68,640.80 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Other salaries for instruction | 0.00 | 3,244.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,244.00 |
| Purchased professional technical services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tuition | 36,722.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 36,722.00 |
| Supplies and materials | 0.00 | 0.00 | 3,127.00 | 0.00 | 0.00 | 11,182.21 | 14,309.21 |
| Total instruction | 36,722.00 | 3,244.00 | 3,127.00 | 0.00 | 0.00 | 11,182.21 | 54,275.21 |
| Support services: | | | | | | | |
| Salaries Curriculum writing | 0.00 | 0.00 | 0.00 | 1,152.00 | 0.00 | 0.00 | 1,152.00 |
| Personal services - employee benefits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Purchased professional technical services | 4,836.00 | 0.00 | 0.00 | 1,986.99 | 5,790.00 | 0.00 | 12,612.99 |
| General supplies | 0.00 | 0.00 | 0.00 | 600.60 | 0.00 | 0.00 | 600.60 |
| Total support services | 4,836.00 | 0.00 | 0.00 | 3,739.59 | 5,790.00 | 0.00 | 14,365.59 |
| Total expenditures | \$ 41,558.00 | \$ 3,244.00 | \$ 3,127.00 | \$ 3,739.59 | \$ 5,790.00 | \$ 11,182.21 | \$ 68,640.80 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |

BOROUGH OF WENONAH SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2018

| | Food Service | Preschool Extended Care | Totals |
|---------------------------|-----------------|----------------------------|---------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 0.29 | \$ - | \$ 0.29 |
| Total current assets | 0.29 | - | 0.29 |
| Total assets | 0.29 | - | 0.29 |
| NET POSITION | | | |
| Unrestricted | 0.29 | - | 0.29 |
| Total net position | \$ 0.29 | \$ - | \$ 0.29 |

BOROUGH OF WENONAH SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Positions
Enterprise Funds
For the Year Ended June 30, 2018

| | Food Service | Preschool Extended Care | Total Enterprise |
|--------------------------------|-------------------------|------------------------------------|-----------------------------|
| Operating revenues: | | | |
| Charges for services: | | | |
| Tuition | \$ - | \$ 20,400.00 | \$ 20,400.00 |
| Total operating revenues | - | 20,400.00 | 20,400.00 |
| Operating expenses: | | | |
| Salaries | - | 22,278.80 | 22,278.80 |
| General supplies | - | 466.75 | 466.75 |
| Total Operating Expenses | - | 22,745.55 | 22,745.55 |
| Operating income (loss) | - | (2,345.55) | (2,345.55) |
| Transfers in | | 2,345.55 | 2,345.55 |
| Change in net position | - | - | - |
| Total net assets—beginning | 0.29 | | 0.29 |
| Total net assets—ending | \$ 0.29 | \$ - | \$ 0.29 |

BOROUGH OF WENONAH SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2018

| | <u>Food Service</u> | <u>Preschool Extended Care</u> | <u>Total Enterprise</u> |
|---|-------------------------|------------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and other funds | \$ - | \$ 20,400.00 | \$ 20,400.00 |
| Payments to employees | | (22,278.80) | (22,278.80) |
| Payments to suppliers | - | (466.75) | (466.75) |
| Net cash provided by (used for) operating activities | <u>-</u> | <u>(2,345.55)</u> | <u>(2,345.55)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from general fund | - | 2,345.55 | 2,345.55 |
| Net cash provided by (used for) noncapital financing activities | <u>-</u> | <u>2,345.55</u> | <u>2,345.55</u> |
| Net increase (decrease) in cash and cash equivalents | - | - | - |
| Balances—beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Balances—end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | <u>\$ -</u> | <u>\$ (2,345.55)</u> | <u>\$ (2,345.55)</u> |
| Net cash provided by (used for) operating activities | <u>\$ -</u> | <u>\$ (2,345.55)</u> | <u>\$ (2,345.55)</u> |

BOROUGH OF WENONAH SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2018

| | Expendable Trust | Agency | |
|---|--|---------------------|--------------------|
| | Unemployment Compensation Insurance Trust | Student Activity | Payroll |
| ASSETS: | | | |
| Cash and cash equivalents | \$ 30,168.32 | \$ 17,223.73 | \$ 2,315.91 |
| Deposits held by the State of New Jersey | 0.00 | 0.00 | 0.00 |
| Total assets | \$ 30,168.32 | \$ 17,223.73 | \$ 2,315.91 |
| LIABILITIES: | | | |
| Payroll deductions and withholdings | \$ 0.00 | \$ 0.00 | \$ 1,315.91 |
| Interfund accounts payable | 0.00 | 0.00 | 1,000.00 |
| Due to student groups | 0.00 | 17,223.73 | 0.00 |
| Total liabilities | 0.00 | \$ 17,223.73 | \$ 2,315.91 |
| NET POSITION: | | | |
| Held in trust for unemployment claims and other purposes | \$ 30,168.32 | | |

BOROUGH OF WENONAH SCHOOL DISTRICT
Fiduciary Fund - Unemployment Compensation Insurance Trust
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2018

| | |
|--------------------------------|----------------------------|
| ADDITIONS: | |
| Contributions: | |
| Plan member | \$ 3,730.40 |
| Investment earnings: | |
| Interest earned | <u>65.35</u> |
| Total additions | <u>3,795.75</u> |
| DEDUCTIONS: | |
| Quarterly Contribution Reports | 0.00 |
| Unemployment Claims | 6,985.11 |
| Catastrophic Illness Fund | <u>102.00</u> |
| Total deductions | <u>7,087.11</u> |
| Change in net position | (3,291.36) |
| Net position - July 1 | <u>33,459.68</u> |
| Net position - June 30 | <u><u>\$ 30,168.32</u></u> |

BOROUGH OF WENONAH SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2018

| | Balance July 1, 2017 | Cash Receipts | Cash Disbursements | Balance June 30, 2018 |
|-------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Elementary school | \$ 12,246.63 | \$ 14,182.28 | \$ 9,205.18 | \$ 17,223.73 |
| Total all schools | <u>\$ 12,246.63</u> | <u>\$ 14,182.28</u> | <u>\$ 9,205.18</u> | <u>\$ 17,223.73</u> |

BOROUGH OF WENONAH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursement
For the Fiscal Year Ended June 30, 2018

| | Balance July 1, 2017 | Cash Receipts | Cash Disbursements | Balance June 30, 2018 |
|-------------------------------------|----------------------------|-------------------------------|-------------------------------|-----------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 2,260.00 | \$ 972,381.55 | \$ 972,325.64 | \$ 2,315.91 |
| Total assets | <u>\$ 2,260.00</u> | <u>\$ 972,381.55</u> | <u>\$ 972,325.64</u> | <u>\$ 2,315.91</u> |
| LIABILITIES: | | | | |
| Payroll deductions and withholdings | \$ 1,260.00 | \$ 972,419.14 | \$ 972,363.23 | \$ 1,315.91 |
| Net payroll | 0.00 | 1,273,309.74 | 1,273,309.74 | 0.00 |
| Interfund accounts payable | 1,000.00 | 0.00 | 0.00 | 1,000.00 |
| Total liabilities | <u>\$ 2,260.00</u> | <u>\$ 2,245,728.88</u> | <u>\$ 2,245,672.97</u> | <u>\$ 2,315.91</u> |

BOROUGH OF WENONAH SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Serial Bonds
June 30, 2018

| Issue | Date Of Issue | Amount Of Issue | Annual Maturities | | Interest Rate | Balance July 1, 2017 | Issued | Retired | Balance June 30, 2018 |
|------------------------|---------------|-----------------|-------------------|------------|------------------------|----------------------|----------------------|------------------------|-----------------------|
| | | | Date | Amount | | | | | |
| Refunding school bonds | 12/12/12 | \$ 1,720,000.00 | 01/15/19 | 170,000.00 | 2.00% | | | | |
| | | | 01/15/20 | 170,000.00 | 2.00% | | | | |
| | | | 01/15/21 | 175,000.00 | 2.00% | | | | |
| | | | 01/15/22 | 180,000.00 | 3.00% | | | | |
| | | | 01/15/23 | 185,000.00 | 3.00% | | | | |
| | | | 01/15/24 | 175,000.00 | 3.00% | | | | |
| | | | | | \$ 1,220,000.00 | \$ 0.00 | \$ 165,000.00 | \$ 1,055,000.00 | |
| | | | | | <u>\$ 1,220,000.00</u> | <u>\$ 0.00</u> | <u>\$ 165,000.00</u> | <u>\$ 1,055,000.00</u> | |

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Budget |
|---|--------------------|---------------------|-----------------|----------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 194,800.00 | \$ 0.00 | \$ 194,800.00 | \$ 194,800.00 | \$ 0.00 |
| Total revenues | 194,800.00 | 0.00 | 194,800.00 | 194,800.00 | 0.00 |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest | 29,800.00 | 0.00 | 29,800.00 | 29,800.00 | 0.00 |
| Redemption of principal | 165,000.00 | 0.00 | 165,000.00 | 165,000.00 | 0.00 |
| Total regular debt service | 194,800.00 | 0.00 | 194,800.00 | 194,800.00 | 0.00 |
| Total expenditures | 194,800.00 | 0.00 | 194,800.00 | 194,800.00 | 0.00 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fund balance - July 1 | 0.59 | 0.00 | 0.59 | 0.59 | 0.00 |
| Fund balance - June 30 | <u>\$ 0.59</u> | <u>\$ 0.00</u> | <u>\$ 0.59</u> | <u>\$ 0.59</u> | <u>\$ 0.00</u> |

STATISTICAL SECTION (Unaudited)

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.

Revenue Capacity - These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

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.

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.

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.

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 fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

BOROUGH OF WENONAH SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
Accrual Basis of Accounting

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|--------------------------|----------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets, net of related debt | \$ 1,615,731.42 | \$ 1,505,127.50 | \$ 1,701,554.50 | \$ 1,391,554.50 | \$ 1,358,398.50 | \$ 1,272,998.05 | \$ 1,388,491.50 | \$ 1,388,173.34 | \$ 1,354,533.80 | \$ 1,360,442.94 |
| Restricted | 148,132.46 | 107,002.32 | 8,716.75 | 14,401.74 | 67,918.58 | 10,990.50 | 21.28 | 49,246.61 | 146,824.42 | 155,896.98 |
| Unrestricted | (9,228,479.85) | (647,408.06) | (496,774.70) | (586,169.74) | 12,683.88 | 47,660.62 | 69,714.57 | (19,706.86) | (85,773.62) | 5,360.31 |
| Total governmental activities net position | \$ (7,464,615.97) | \$ 964,721.76 | \$ 1,213,496.55 | \$ 819,786.50 | \$ 1,439,000.96 | \$ 1,331,649.17 | \$ 1,458,227.35 | \$ 1,417,713.09 | \$ 1,415,584.60 | \$ 1,521,700.23 |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets, net of related debt | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Restricted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unrestricted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total business-type activities net position | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| District-wide activities: | | | | | | | | | | |
| Net investment in capital assets, net of related debt | \$ 1,615,731.42 | \$ 1,505,127.50 | \$ 1,701,554.50 | \$ 1,391,554.50 | \$ 1,358,398.50 | \$ 1,272,998.05 | \$ 1,388,491.50 | \$ 1,388,173.34 | \$ 1,354,533.80 | \$ 1,360,442.94 |
| Restricted | 148,132.46 | 107,002.32 | 8,716.75 | 14,401.74 | 67,918.58 | 10,990.50 | 21.28 | 49,246.61 | 146,824.42 | 155,896.98 |
| Unrestricted | (9,228,479.85) | (647,408.06) | (496,774.70) | (586,169.74) | 12,683.88 | 47,660.62 | 69,714.57 | (19,706.86) | (85,773.62) | 5,360.31 |
| Total district-wide activities net position | \$ (7,464,615.97) | \$ 964,721.76 | \$ 1,213,496.55 | \$ 819,786.50 | \$ 1,439,000.96 | \$ 1,331,649.17 | \$ 1,458,227.35 | \$ 1,417,713.09 | \$ 1,415,584.60 | \$ 1,521,700.23 |

BOROUGH OF WENONAH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 1,459,563.88 | \$ 1,925,376.97 | \$ 1,761,766.90 | \$ 1,890,688.46 | \$ 1,780,629.74 | \$ 1,825,596.54 | \$ 1,690,780.88 | \$ 1,226,087.57 | \$ 1,247,505.25 | \$ 1,222,183.39 |
| Special education | 275,048.92 | 258,612.68 | 265,818.04 | 272,819.90 | 333,127.64 | 287,774.15 | 245,787.59 | 121,735.51 | 128,681.45 | 120,424.76 |
| Other special instruction | 75,581.08 | 146,827.50 | 108,225.37 | 103,061.64 | 67,531.60 | 76,088.09 | 66,803.13 | 74,895.23 | 55,684.70 | 44,628.77 |
| Other instruction | 24,024.04 | 21,557.52 | 19,618.55 | 24,177.96 | 22,917.72 | 22,445.29 | 21,567.94 | 8,743.71 | 12,684.00 | 10,064.80 |
| Support services: | | | | | | | | | | |
| Tuition | 139,014.50 | 40,340.00 | 23,180.00 | 3,058.72 | 15,315.80 | 45,806.21 | 10,030.00 | 6,311.34 | 54,856.14 | 50,438.00 |
| Student and instruction related services | 431,663.61 | 560,419.69 | 540,397.02 | 517,986.65 | 420,779.38 | 399,165.47 | 468,255.67 | 395,171.78 | 396,436.38 | 313,948.84 |
| General administrative services | 213,840.76 | 255,144.51 | 257,700.62 | 249,775.82 | 231,300.22 | 226,716.16 | 211,630.38 | 165,992.07 | 178,134.16 | 172,298.93 |
| School administrative services | 19,587.01 | 26,290.46 | 21,619.91 | 20,551.60 | 23,073.72 | 22,740.73 | 24,304.31 | 16,991.27 | 20,212.04 | 16,031.09 |
| Central services | 144,992.22 | 136,068.30 | 94,583.39 | 96,425.79 | 106,150.10 | 95,813.19 | 98,640.07 | 49,939.86 | 57,638.72 | 55,690.78 |
| Administrative information technology | 350.00 | 5,434.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plant operations and maintenance | 295,252.45 | 346,385.30 | 269,920.38 | 321,801.85 | 287,004.88 | 301,353.80 | 264,447.95 | 205,279.51 | 211,474.88 | 257,463.00 |
| Pupil transportation | 48,513.35 | 38,308.90 | 28,231.19 | 32,479.51 | 55,765.08 | 41,158.32 | 20,811.84 | 55,026.37 | 64,220.23 | 51,086.10 |
| Unallocated benefits | 972,730.16 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 558,458.11 | 533,822.13 | 475,657.65 |
| Interest on long-term debt | 28,287.50 | 42,667.75 | 47,317.75 | 51,886.50 | 56,928.17 | 45,016.06 | 88,648.50 | 98,616.16 | 90,500.84 | 98,734.16 |
| Capital outlay | 10,762.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unallocated depreciation | 15,924.08 | 15,907.00 | 0.00 | 15,413.00 | 16,351.00 | 16,902.00 | 14,144.00 | 133,397.40 | 140,707.40 | 143,140.20 |
| Total governmental activities expenses | 4,155,136.04 | 3,819,340.58 | 3,438,379.12 | 3,600,127.40 | 3,416,875.05 | 3,406,576.01 | 3,225,852.26 | 3,116,645.89 | 3,192,558.32 | 3,031,790.47 |
| Business-type activities: | | | | | | | | | | |
| Food service | 0.00 | 16,375.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Preschool extended care | 22,745.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total business-type activities expenses | 22,745.55 | 16,375.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total district expenses | \$ 4,177,881.59 | \$ 3,835,716.13 | \$ 3,438,379.12 | \$ 3,600,127.40 | \$ 3,416,875.05 | \$ 3,406,576.01 | \$ 3,225,852.26 | \$ 3,116,645.89 | \$ 3,192,558.32 | \$ 3,031,790.47 |
| Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Operating grants and contributions | \$ 64,400.80 | \$ 467,207.62 | \$ 411,061.21 | \$ 361,582.87 | \$ 311,430.05 | \$ 354,625.11 | \$ 325,496.54 | \$ 259,780.67 | \$ 303,730.90 | \$ 276,995.51 |
| Capital grants and contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total governmental activities revenues | 64,400.80 | 467,207.62 | 411,061.21 | 361,582.87 | 311,430.05 | 354,625.11 | 325,496.54 | 259,780.67 | 303,730.90 | 276,995.51 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | 0.00 | 16,375.36 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Preschool extended care | 20,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Operating grants and contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital grants and contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total business-type activities revenues | 20,400.00 | 16,375.36 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total district revenues | \$ 84,800.80 | \$ 483,582.98 | \$ 411,061.21 | \$ 361,582.87 | \$ 311,430.05 | \$ 354,625.11 | \$ 325,496.54 | \$ 259,780.67 | \$ 303,730.90 | \$ 276,995.51 |
| Net (expenses)/revenues: | | | | | | | | | | |
| Governmental activities | \$ (4,090,735.24) | \$ (3,352,132.96) | \$ (3,027,317.91) | \$ (3,238,544.53) | \$ (3,105,445.00) | \$ (3,051,950.90) | \$ (2,900,355.72) | \$ (2,856,865.22) | \$ (2,888,827.42) | \$ (2,754,794.96) |
| Business-type activities | (2,345.55) | (0.19) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total district-wide net expenses | \$ (4,093,080.79) | \$ (3,352,133.15) | \$ (3,027,317.91) | \$ (3,238,544.53) | \$ (3,105,445.00) | \$ (3,051,950.90) | \$ (2,900,355.72) | \$ (2,856,865.22) | \$ (2,888,827.42) | \$ (2,754,794.96) |

BOROUGH OF WENONAH SCHOOL DISTRICT
Changes In Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 2,651,137.00 | \$ 2,599,154.00 | \$ 2,548,190.00 | \$ 2,498,226.00 | \$ 2,449,242.00 | \$ 2,368,498.00 | \$ 2,299,520.00 | \$ 2,254,431.00 | \$ 2,037,915.00 | \$ 1,988,210.00 |
| Taxes levied for debt service | 194,800.00 | 189,450.00 | 194,100.00 | 193,580.00 | 183,128.00 | 203,715.00 | 154,292.00 | 188,118.00 | 202,518.00 | 201,718.00 |
| Unrestricted grants and contributions | 987,152.82 | 506,059.00 | 504,785.00 | 500,334.00 | 498,031.00 | 492,139.00 | 463,813.00 | 419,618.00 | 535,691.00 | 478,136.00 |
| Tuition | 42,450.00 | 35,368.00 | 12,336.80 | 48,080.17 | 88,421.52 | 16,669.03 | 16,811.74 | 5,161.16 | 8,612.00 | 0.00 |
| Investment earnings | 963.32 | 1,289.29 | 0.01 | 1,900.77 | 1,995.70 | 3,700.49 | 1,405.28 | 685.97 | 1,302.95 | 4,036.27 |
| Miscellaneous income | 3,921.18 | 2,546.92 | 6,616.15 | 2,692.88 | 1,175.78 | 6,660.93 | 5,027.96 | 2,013.06 | 8,361.94 | 5,954.53 |
| Fixed asset adjustments | 1,754.00 | 14,494.00 | 0.00 | 0.00 | 7,772.00 | 11,004.00 | 0.00 | 0.00 | 0.00 | (230,856.00) |
| Assets acquired under capital lease | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (85,961.50) | 0.00 | 0.00 | 0.00 | 0.00 |
| Proceeds from bond refinancing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (94,000.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| Compensated absences increase/decrease | 4,382.19 | (1,490.37) | 0.00 | 4,424.25 | (16,969.21) | 2,947.77 | 0.00 | (11,033.48) | (11,689.10) | 2,233.90 |
| Total governmental activities | <u>3,886,560.51</u> | <u>3,346,870.84</u> | <u>3,266,027.96</u> | <u>3,249,238.07</u> | <u>3,212,796.79</u> | <u>2,925,372.72</u> | <u>2,940,869.98</u> | <u>2,858,993.71</u> | <u>2,782,711.79</u> | <u>2,449,432.70</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 0.00 | 0.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers | 2,345.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total business-type activities | <u>2,345.55</u> | <u>0.48</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total district-wide activities | <u>\$ 3,888,906.06</u> | <u>\$ 3,346,871.32</u> | <u>\$ 3,266,027.96</u> | <u>\$ 3,249,238.07</u> | <u>\$ 3,212,796.79</u> | <u>\$ 2,925,372.72</u> | <u>\$ 2,940,869.98</u> | <u>\$ 2,858,993.71</u> | <u>\$ 2,782,711.79</u> | <u>\$ 2,449,432.70</u> |
| Change in net position: | | | | | | | | | | |
| Governmental activities | \$ (204,174.73) | \$ (5,262.12) | \$ 238,710.05 | \$ 10,693.54 | \$ 107,351.79 | \$ (126,578.18) | \$ 40,514.26 | \$ 2,128.49 | \$ (106,115.63) | \$ (305,362.26) |
| Business-type activities | 0.00 | (0.19) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total district-wide | <u>\$ (204,174.73)</u> | <u>\$ (5,262.31)</u> | <u>\$ 238,710.05</u> | <u>\$ 10,693.54</u> | <u>\$ 107,351.79</u> | <u>\$ (126,578.18)</u> | <u>\$ 40,514.26</u> | <u>\$ 2,128.49</u> | <u>\$ (106,115.63)</u> | <u>\$ (305,362.26)</u> |

BOROUGH OF WENONAH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|
| General fund: | | | | | | | | | | |
| Reserved | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 86,481.34 | \$ 91,669.20 |
| Unreserved | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,885.44 | 93,232.13 |
| Restricted | 112,326.59 | 50,018.71 | 18.16 | 18.15 | 18.03 | 17.91 | 17.79 | 17.62 | 0.00 | 0.00 |
| Assigned | 35,805.28 | 86,983.02 | 73,698.00 | 14,383.00 | 134,072.96 | 23,000.00 | 52,271.94 | 0.00 | 0.00 | 0.00 |
| Unassigned | 231,009.00 | 154,227.48 | 184,446.05 | 146,753.26 | 56,247.63 | 119,969.00 | 129,273.46 | 86,762.54 | 0.00 | 0.00 |
| Total general fund | <u>\$ 379,140.87</u> | <u>\$ 291,229.21</u> | <u>\$ 258,162.21</u> | <u>\$ 161,154.41</u> | <u>\$ 190,338.62</u> | <u>\$ 142,986.91</u> | <u>\$ 181,563.19</u> | <u>\$ 86,780.16</u> | <u>\$ 94,366.78</u> | <u>\$ 184,901.33</u> |
| All other governmental funds: | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Capital projects fund | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 64,225.79 | \$ 64,225.79 |
| Debt service fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.49 | 1.99 |
| Assigned: | | | | | | | | | | |
| Capital projects fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 49,226.00 | 0.00 | 0.00 |
| Debt service fund | 0.00 | 0.00 | 0.00 | 0.00 | 20.00 | 10,972.00 | 3.00 | 0.00 | 0.00 | 0.00 |
| Unassigned | | | | | | | | | | |
| Debt service fund | 0.59 | 0.59 | 0.59 | 0.59 | 0.59 | 0.59 | 0.49 | 2.99 | 0.00 | 0.00 |
| Total all other governmental funds | <u>\$ 0.59</u> | <u>\$ 0.59</u> | <u>\$ 0.59</u> | <u>\$ 0.59</u> | <u>\$ 20.59</u> | <u>\$ 10,972.59</u> | <u>\$ 3.49</u> | <u>\$ 49,228.99</u> | <u>\$ 64,228.28</u> | <u>\$ 64,227.78</u> |

Note: 2011 reflects the change to GASB 54.

BOROUGH OF WENONAH SCHOOL DISTRICT
Changes In Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|----------------------|-----------------------|-----------------------|
| Revenues: | | | | | | | | | | |
| Tax levy | \$ 2,845,937.00 | \$ 2,788,604.00 | \$ 2,742,290.00 | \$ 2,691,806.00 | \$ 2,632,370.00 | \$ 2,572,213.00 | \$ 2,453,812.00 | \$ 2,442,549.00 | \$ 2,240,433.00 | \$ 2,189,928.00 |
| Tuition | 42,450.00 | 35,368.00 | 12,336.80 | 48,080.17 | 88,421.52 | 16,669.03 | 16,811.74 | 5,161.16 | 8,612.00 | 0.00 |
| Interest earnings on capital reserve | 100.15 | 0.55 | 0.01 | 0.12 | 0.12 | 0.12 | 0.17 | 19.48 | 0.94 | 2.03 |
| Miscellaneous | 11,726.56 | 5,335.66 | 9,116.15 | 8,823.63 | 3,941.24 | 6,077.99 | 10,065.07 | 2,658.36 | 9,663.95 | 9,988.77 |
| State sources | 987,152.82 | 901,636.62 | 844,544.21 | 804,249.77 | 754,921.16 | 790,112.11 | 707,092.54 | 620,967.51 | 669,674.06 | 677,539.26 |
| Federal sources | 57,458.59 | 70,130.00 | 68,802.00 | 53,437.00 | 53,770.00 | 55,152.00 | 78,585.00 | 58,431.16 | 169,747.84 | 77,592.25 |
| Total revenues | 3,944,825.12 | 3,801,074.83 | 3,677,089.17 | 3,606,396.69 | 3,533,424.04 | 3,440,224.25 | 3,266,366.52 | 3,129,786.67 | 3,098,131.79 | 2,955,050.31 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular instruction | 1,188,064.03 | 1,290,425.10 | 1,230,982.29 | 1,310,212.76 | 1,302,703.03 | 1,303,681.90 | 1,224,569.10 | 1,226,087.57 | 1,247,505.25 | 1,222,183.39 |
| Special education instruction | 203,852.44 | 202,069.23 | 177,912.68 | 211,626.13 | 278,663.97 | 223,338.73 | 189,253.22 | 121,735.51 | 128,681.45 | 120,424.76 |
| Other special instruction | 74,170.08 | 90,851.22 | 87,452.65 | 87,529.03 | 54,653.03 | 55,449.73 | 50,224.78 | 74,895.23 | 55,684.70 | 44,628.77 |
| Other instruction | 20,438.04 | 16,513.77 | 18,029.74 | 19,156.58 | 16,229.83 | 16,184.21 | 15,440.90 | 8,743.71 | 12,684.00 | 10,064.80 |
| Support services: | | | | | | | | | | |
| Tuition | 139,014.50 | 40,340.00 | 23,180.00 | 3,058.72 | 15,315.80 | 45,806.21 | 10,030.00 | 6,311.34 | 54,856.14 | 50,438.00 |
| Student and instruction related services | 406,420.25 | 423,767.90 | 449,576.10 | 449,235.29 | 362,135.84 | 343,738.24 | 392,138.40 | 395,171.78 | 396,436.38 | 313,948.84 |
| General administration | 174,927.24 | 194,263.92 | 195,690.67 | 195,628.85 | 179,868.30 | 178,331.40 | 172,929.76 | 165,992.07 | 178,134.16 | 172,298.93 |
| School administrative services | 18,781.01 | 18,099.53 | 18,312.11 | 16,067.09 | 14,496.24 | 14,524.45 | 16,614.10 | 16,991.27 | 20,212.04 | 16,031.09 |
| Central services | 125,369.62 | 104,129.84 | 78,808.67 | 78,471.20 | 74,417.93 | 74,801.41 | 77,932.75 | 49,939.86 | 57,638.72 | 55,690.78 |
| Administrative information technology | 350.00 | 5,434.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plant operations and maintenance | 233,103.86 | 234,415.90 | 217,742.14 | 249,800.36 | 218,585.70 | 232,185.22 | 196,742.48 | 205,279.51 | 211,474.88 | 257,463.00 |
| Pupil transportation | 48,513.35 | 38,308.90 | 28,231.19 | 32,479.51 | 55,765.08 | 41,158.32 | 20,811.84 | 55,026.37 | 64,220.23 | 51,086.10 |
| Employee benefits | 953,776.56 | 897,114.52 | 849,714.13 | 778,386.38 | 719,740.58 | 733,603.18 | 632,495.00 | 558,458.11 | 533,822.13 | 475,657.65 |
| Capital outlay | 75,332.48 | 22,824.00 | 10,349.00 | 10,349.00 | 10,349.00 | 98,244.03 | 18,109.16 | 64,643.94 | 48,174.26 | 72,626.14 |
| Debt service: | | | | | | | | | | |
| Principal | 165,000.00 | 155,000.00 | 155,000.00 | 150,000.00 | 145,000.00 | 150,000.00 | 120,000.00 | 115,000.00 | 110,000.00 | 105,000.00 |
| Interest and other charges | 29,800.00 | 34,450.00 | 39,100.00 | 43,600.00 | 49,100.00 | 48,528.75 | 83,517.50 | 88,117.50 | 92,517.50 | 96,717.50 |
| Total expenditures | 3,856,913.46 | 3,768,007.83 | 3,580,081.37 | 3,635,600.90 | 3,497,024.33 | 3,559,575.78 | 3,220,808.99 | 3,152,393.77 | 3,212,041.84 | 3,064,259.75 |
| Excess (deficiency) of revenues over (under) expenditures | 87,911.66 | 33,067.00 | 97,007.80 | (29,204.21) | 36,399.71 | (119,351.53) | 45,557.53 | (22,607.10) | (113,910.05) | (109,209.44) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in/out | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,020.98 | 0.00 | 0.00 |
| Excess of costs of issuance costs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,782.85 | 0.00 | 0.00 | 0.00 | 0.00 |
| Capital leases (nonbudgeted) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 85,961.50 | 0.00 | 0.00 | 23,376.00 | 53,596.00 |
| Total other financing sources (uses) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 91,744.35 | 0.00 | 15,020.98 | 23,376.00 | 53,596.00 |
| Net change in fund balances | \$ 87,911.66 | \$ 33,067.00 | \$ 97,007.80 | \$ (29,204.21) | \$ 36,399.71 | \$ (27,607.18) | \$ 45,557.53 | \$ (7,586.12) | \$ (90,534.05) | \$ (55,613.44) |
| Debt service as a percentage of noncapital expenditures | 5.15% | 5.06% | 5.44% | 5.34% | 5.57% | 5.74% | 6.35% | 6.58% | 6.40% | 6.74% |

Note: Noncapital expenditures are total expenditures less capital outlay.

Source: District records.

BOROUGH OF WENONAH SCHOOL DISTRICT
General Fund Other Local Revenue By Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

| Fiscal Year Ended June 30 | Contributions/ Donations | Interest Earnings | Rentals | Miscellaneous | Total |
|------------------------------------|-----------------------------|-------------------|-------------|---------------|-------------|
| 2018 | \$ 100.00 | \$ 863.17 | \$ 2,512.00 | \$ 1,309.18 | \$ 4,784.35 |
| 2017 | 1,500.00 | 1,288.74 | 527.00 | 2,020.47 | 5,336.21 |
| 2016 | 2,500.00 | 1,132.08 | 800.00 | 4,684.07 | 9,116.15 |
| 2015 | 4,230.10 | 1,900.65 | 700.00 | 1,992.88 | 8,823.63 |
| 2014 | 769.90 | 1,995.58 | 750.00 | 425.76 | 3,941.24 |
| 2013 | 1,500.00 | 3,700.37 | 250.00 | 627.62 | 6,077.99 |
| 2012 | 3,632.00 | 1,405.11 | 800.00 | 4,227.96 | 10,065.07 |
| 2011 | 0.00 | 645.30 | 0.00 | 2,013.06 | 2,658.36 |
| 2010 | 0.00 | 1,302.01 | 3,905.47 | 4,456.47 | 9,663.95 |
| 2009 | 0.00 | 4,032.21 | 2,725.00 | 3,231.56 | 9,988.77 |

Source: District records.

BOROUGH OF WENONAH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Vacant Land | Residential | Farm - Regular | Farm - Qualified | Commercial | Industrial | Apartments | Total Assessed Value | Less: Tax Exempt Property | Public Utilities* | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate** |
|---------------------------|-----------------|-------------------|----------------|------------------|-----------------|------------|------------|----------------------|---------------------------|-------------------|-----------------------|---|--------------------------------|
| 2018 | \$ 761,300.00 | \$ 215,293,900.00 | \$ 0.00 | \$ 0.00 | \$ 5,567,800.00 | \$ 0.00 | \$ 0.00 | \$ 221,623,000.00 | \$ 0.00 | \$ 0.00 | \$ 221,623,000.00 | \$ 217,844,434.00 | \$ 1.297 |
| 2017 | \$ 1,322,300.00 | \$ 216,085,600.00 | \$ 0.00 | \$ 0.00 | 5,934,300.00 | 0.00 | 0.00 | 223,342,200.00 | 0.00 | 0.00 | 223,342,200.00 | 222,819,087.00 | 1.262 |
| 2016 | 1,382,800.00 | 216,886,900.00 | 0.00 | 0.00 | 6,159,100.00 | 0.00 | 0.00 | 224,428,800.00 | 0.00 | 0.00 | 224,428,800.00 | 226,253,146.00 | 1.233 |
| 2015 | 1,707,700.00 | 216,444,800.00 | 0.00 | 0.00 | 6,486,700.00 | 0.00 | 0.00 | 224,639,200.00 | 0.00 | 0.00 | 224,639,200.00 | 232,947,471.00 | 1.210 |
| 2014 | 1,751,700.00 | 244,644,600.00 | 0.00 | 0.00 | 7,274,300.00 | 0.00 | 0.00 | 253,670,600.00 | 0.00 | 0.00 | 253,670,600.00 | 240,495,923.00 | 1.050 |
| 2013 | 1,841,700.00 | 247,267,300.00 | 0.00 | 0.00 | 6,924,300.00 | 0.00 | 0.00 | 256,033,300.00 | 0.00 | 243,865.00 | 256,277,165.00 | 240,884,196.00 | 1.016 |
| 2012 | 1,957,800.00 | 251,261,700.00 | 0.00 | 0.00 | 7,374,400.00 | 0.00 | 0.00 | 260,593,900.00 | 0.00 | 243,037.00 | 260,836,937.00 | 230,528,596.00 | 0.964 |
| 2011 | 2,349,500.00 | 284,308,500.00 | 0.00 | 0.00 | 5,614,000.00 | 0.00 | 0.00 | 292,272,000.00 | 0.00 | 249,581.00 | 292,521,581.00 | 272,427,445.00 | 0.837 |
| 2010 | 2,456,000.00 | 288,484,000.00 | 0.00 | 0.00 | 5,614,000.00 | 0.00 | 0.00 | 296,554,000.00 | 0.00 | 287,077.00 | 296,841,077.00 | 280,496,538.00 | 0.789 |
| 2009 | 2,320,000.00 | 289,447,000.00 | 0.00 | 0.00 | 5,407,000.00 | 0.00 | 0.00 | 297,174,000.00 | 0.00 | 294,323.00 | 297,468,323.00 | 282,289,188.00 | 0.745 |

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the county board of taxation requests treasury to order a reassessment.

Source: Municipal tax assessor.

*Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies

**Tax rates are per \$100.

BOROUGH OF WENONAH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | District's Direct Rate | | | Overlapping Rates | | | Total Direct And Overlapping Tax Rate |
|---------------------------------|------------------------|---|--|-------------------------|--------------|----------|---|
| | Basic Rate* | General Obligation Debt Service** | (From J-6) Total Direct School Tax Rate | Regional High School | Municipality | County | |
| 2018 | \$ 1.209 | \$ 0.088 | \$ 1.297 | \$ 1.332 | \$ 0.817 | \$ 0.628 | \$ 4.074 |
| 2017 | 1.176 | 0.086 | 1.262 | 1.344 | 0.799 | 0.669 | 4.074 |
| 2016 | 1.148 | 0.085 | 1.233 | 1.276 | 0.799 | 0.679 | 3.987 |
| 2015 | 1.123 | 0.086 | 1.210 | 1.212 | 0.802 | 0.678 | 3.902 |
| 2014 | 0.976 | 0.074 | 1.050 | 1.007 | 0.711 | 0.582 | 3.350 |
| 2013 | 0.941 | 0.075 | 1.016 | 0.874 | 0.706 | 0.564 | 3.160 |
| 2012 | 0.896 | 0.069 | 0.964 | 0.802 | 0.679 | 0.468 | 2.913 |
| 2011 | 0.778 | 0.059 | 0.837 | 0.654 | 0.651 | 0.503 | 2.645 |
| 2010 | 0.723 | 0.066 | 0.789 | 0.672 | 0.608 | 0.519 | 2.588 |
| 2009 | 0.677 | 0.068 | 0.745 | 0.655 | 0.581 | 0.518 | 2.499 |

Source: Municipal Tax Collector.

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudgeted year net budget by more than the spending growth limitation calculated as follows: the prebudgeted year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

*The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable. The Borough was reassessed for the current year.

**Rates for debt service are based on each year's requirements.

BOROUGH OF WENONAH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2018 | | 2009 | |
|---------------------------|------------------------|---|------------------------|---|
| | Taxable Assessed Value | Percentage Of Total District Net Assessed Value | Taxable Assessed Value | Percentage Of Total District Net Assessed Value |
| First Union National Bank | \$ 975,700 | 0.44% | \$ 900,000 | 0.41% |
| Taxpayer 1 | 944,900 | 0.42% | - | 0.00% |
| Taxpayer 2 | 834,800 | 0.37% | - | 0.00% |
| Taxpayer 3 | 813,900 | 0.36% | - | 0.00% |
| Taxpayer 4 | 711,400 | 0.32% | - | 0.00% |
| Taxpayer 5 | 699,000 | 0.31% | - | 0.00% |
| Wenonah Swim Club | 747,500 | 0.33% | - | 0.00% |
| Taxpayer 6 | 699,000 | 0.31% | 950,000 | 0.43% |
| Taxpayer 7 | 689,400 | 0.31% | - | 0.00% |
| Taxpayer 8 | 677,300 | 0.30% | - | 0.00% |
| Taxpayer 9 | - | 0.00% | 1,218,000 | 0.55% |
| Taxpayer 10 | - | 0.00% | 1,200,000 | 0.54% |
| Taxpayer 11 | - | 0.00% | 1,020,000 | 0.46% |
| Taxpayer 12 | - | 0.00% | 975,000 | 0.44% |
| Taxpayer 13 | - | 0.00% | 950,000 | 0.43% |
| Taxpayer 14 | - | 0.00% | 875,000 | 0.39% |
| Taxpayer 15 | - | 0.00% | 875,000 | 0.39% |
| | <u>\$ 7,792,900</u> | <u>3.47%</u> | <u>\$ 8,963,000</u> | <u>4.04%</u> |

Source: Municipal Tax Assessor.

**BOROUGH OF WENONAH SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Taxes Levied For The Fiscal Year | Collected Within The Fiscal Year Of the Levy* | | Collections In Subsequent Year |
|------------------------------|-------------------------------------|--|-----------------------|-----------------------------------|
| | | Current Amount | Percentage Of Levy | |
| 2018 | \$ 2,845,937.00 | \$ 2,845,937.00 | 100.00% | \$ 0.00 |
| 2017 | 2,788,604.00 | 2,788,604.00 | 100.00% | 0.00 |
| 2016 | 2,742,290.00 | 2,742,290.00 | 100.00% | 0.00 |
| 2015 | 2,691,806.00 | 2,691,806.00 | 100.00% | 0.00 |
| 2014 | 2,632,370.00 | 2,632,370.00 | 100.00% | 0.00 |
| 2013 | 2,572,213.00 | 2,572,213.00 | 100.00% | 0.00 |
| 2012 | 2,453,812.00 | 2,453,812.00 | 100.00% | 0.00 |
| 2011 | 2,442,549.00 | 2,442,549.00 | 100.00% | 0.00 |
| 2010 | 2,240,433.00 | 2,240,433.00 | 100.00% | 0.00 |
| 2009 | 2,189,928.00 | 2,189,928.00 | 100.00% | 0.00 |

Source: District records including the certificate and report of school taxes (A4F Form).

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

BOROUGH OF WENONAH SCHOOL DISTRICT
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Governmental Activities | | Total District | Percentage Of Personal Income* | Per Capita* |
|---------------------------------|-----------------------------------|-------------------|-------------------|--------------------------------------|------------------|
| | General Obligation Bonds ** | Capital Leases | | | |
| 2018 | \$ 1,055,000.00 | \$ 0.00 | \$ 1,055,000.00 | Not available | \$ Not available |
| 2017 | 1,220,000.00 | 0.00 | 1,220,000.00 | 1.09% | 543 |
| 2016 | 1,375,000.00 | 0.00 | 1,375,000.00 | 1.25% | 610 |
| 2015 | 1,530,000.00 | 0.00 | 1,530,000.00 | 1.46% | 678 |
| 2014 | 1,680,000.00 | 0.00 | 1,680,000.00 | 1.65% | 743 |
| 2013 | 1,825,000.00 | 0.00 | 1,825,000.00 | 1.81% | 804 |
| 2012 | 1,881,000.00 | 0.00 | 1,881,000.00 | 1.91% | 827 |
| 2011 | 2,001,000.00 | 7,788.66 | 2,008,788.66 | 2.12% | 882 |
| 2010 | 2,116,000.00 | 33,143.60 | 2,149,143.60 | 2.22% | 912 |
| 2009 | 2,226,000.00 | 34,565.86 | 2,260,565.86 | 2.32% | 959 |
| 2008 | 2,331,000.00 | 0.00 | 2,331,000.00 | 2.54% | 994 |

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

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

** Includes early retirement incentive plan (ERIP) refunding.

BOROUGH OF WENONAH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | General Obligation Bonds | Net General Bonded Debt Outstanding | Percentage Of Actual Taxable Value Of Property* | Per Capita** |
|---------------------------------|-----------------------------|---|--|------------------|
| 2018 | \$ 1,055,000.00 | \$ 1,055,000.00 | 0.47% | \$ Not Available |
| 2017 | 1,220,000.00 | 1,220,000.00 | 0.54% | 543 |
| 2016 | 1,375,000.00 | 1,375,000.00 | 0.54% | 610 |
| 2015 | 1,530,000.00 | 1,530,000.00 | 0.60% | 678 |
| 2014 | 1,680,000.00 | 1,680,000.00 | 0.66% | 743 |
| 2013 | 1,825,000.00 | 1,825,000.00 | 0.70% | 804 |
| 2012 | 1,881,000.00 | 1,881,000.00 | 0.64% | 827 |
| 2011 | 2,001,000.00 | 2,001,000.00 | 0.67% | 878 |
| 2010 | 2,116,000.00 | 2,116,000.00 | 0.71% | 898 |
| 2009 | 2,226,000.00 | 2,226,000.00 | #REF! | 944 |
| 2008 | 2,331,000.00 | 2,331,000.00 | #REF! | 994 |

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

* See Exhibit J-6 for property tax data.

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

BOROUGH OF WENONAH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

| | Debt Outstanding | Estimated Percentage Applicable* | Estimated Share Of Overlapping Debt |
|---|---------------------|--|--|
| Debt repaid with property taxes: | | | |
| Municipality - Borough of Wenonah | \$ 2,494,000.00 | 100.00% | \$ 2,494,000.00 |
| Gloucester County general obligation debt | 225,453,500.00 | 0.82% | 1,859,001.18 |
| Gateway Regional High School District | 5,130,000.00 | 25.02% | 1,283,751.63 |
| | | | <u>5,636,752.81</u> |
| Subtotal - overlapping debt | | | 5,636,752.81 |
| District's direct debt | | | <u>1,055,000.00</u> |
| Total direct and overlapping debt | | | <u><u>\$ 6,691,752.81</u></u> |

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

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

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

BOROUGH OF WENONAH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2016:

| | |
|---|----------------------------|
| Equalized valuation basis: | |
| 2017 | \$ 219,436,235.00 |
| 2016 | 223,802,154.00 |
| 2015 | <u>226,359,532.00</u> |
| | <u>\$ 669,597,921.00</u> |
| Average equalized valuation of taxable property | \$ 223,199,307.00 |
| Debt limit (2.5% of average equalized value)* | \$ 5,579,982.68 |
| Total net debt applicable to limit | <u>1,055,000.00</u> |
| Legal debt margin | <u>\$ 4,524,982.68</u> |

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Debt limit | \$ 5,579,982.68 | \$ 5,699,123.73 | \$ 5,855,910.79 | \$ 6,009,615.02 | \$ 6,212,858.73 | \$ 6,491,205.73 | \$ 6,789,872.62 | \$ 7,010,454.11 | \$ 6,977,705.85 | \$ 6,755,398.85 |
| Total net debt applicable to limit | <u>1,055,000.00</u> | <u>1,220,000.00</u> | <u>1,375,000.00</u> | <u>1,530,000.00</u> | <u>1,680,000.00</u> | <u>1,825,000.00</u> | <u>1,881,000.00</u> | <u>2,001,000.00</u> | <u>2,116,000.00</u> | <u>2,226,000.00</u> |
| Legal debt margin | <u>\$ 4,524,982.68</u> | <u>\$ 4,479,123.73</u> | <u>\$ 4,480,910.79</u> | <u>\$ 4,479,615.02</u> | <u>\$ 4,532,858.73</u> | <u>\$ 4,666,205.73</u> | <u>\$ 4,908,872.62</u> | <u>\$ 5,009,454.11</u> | <u>\$ 4,861,705.85</u> | <u>\$ 4,529,398.85</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 18.91% | 21.41% | 23.48% | 25.46% | 27.04% | 28.11% | 27.70% | 28.54% | 30.33% | 32.95% |

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey, Department of Treasury, Division of Taxation.

*Limit set by N.J.S.A. 18A:24-19 for a K-6 district; other percentage limits would be applicable for other district types.

BOROUGH OF WENONAH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

| Year | Population* | Personal Income** | Per Capita Personal Income*** | Unemployment Rate**** |
|------|-------------|-------------------|----------------------------------|--------------------------|
| 2018 | 2,239 | \$ Not available | \$ Not available | 3.20% |
| 2017 | 2,248 | 112,413,488.00 | 50,006.00 | 3.60% |
| 2016 | 2,254 | 109,992,946.00 | 48,799.00 | 4.60% |
| 2015 | 2,255 | 105,089,765.00 | 46,603.00 | 4.90% |
| 2014 | 2,261 | 101,769,871.00 | 45,011.00 | 3.90% |
| 2013 | 2,271 | 100,814,232.00 | 44,392.00 | 9.20% |
| 2012 | 2,275 | 98,359,625.00 | 43,235.00 | 9.00% |
| 2011 | 2,278 | 94,564,336.00 | 41,512.00 | 9.20% |
| 2010 | 2,357 | 96,615,787.00 | 40,991.00 | 8.70% |
| 2009 | 2,358 | 97,399,548.00 | 41,306.00 | 5.90% |
| 2008 | 2,344 | 91,673,840.00 | 39,110.00 | 4.60% |

* Population information provided by the New Jersey 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 by was computed using Census Bureau midyear population estimates. Estimates for 2010-2014 reflect county population available as of March 2015. All state and local area dollar estimates are in current dollars (not adjusted for inflation)

**** Unemployment data provided by the New Jersey Department of Labor and Workforce Development.

BOROUGH OF WENONAH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

| Employer | 2018 | | 2009 | |
|-------------------------------------|---------------|---|---------------|---|
| | Employees | Percentage Of Total Municipal Employment | Employees | Percentage Of Total Municipal Employment |
| Inspira Health | 1,825 | N/A | - | N/A |
| Kennedy Health Alliance | 1,675 | N/A | 1,200 | N/A |
| Washington Township School District | 1,586 | N/A | 1,594 | N/A |
| Rowan University | 1,483 | N/A | 1,300 | N/A |
| County of Gloucester | 1,368 | N/A | 1,600 | N/A |
| Missa Bay, L.L.C. | 950 | N/A | 750 | N/A |
| Monroe Township School District | 814 | N/A | 775 | N/A |
| U.S. Foodservices | 725 | N/A | 800 | N/A |
| ExxonMobil Research & Engineering | 540 | N/A | - | N/A |
| LeBrea Bakery | 525 | N/A | - | N/A |
| Underwood Memorial Hospital | - | N/A | 1,860 | N/A |
| Direct Group | - | N/A | 850 | N/A |
| U.S. Postal Service | - | N/A | 700 | N/A |
| Total | 11,491 | | 11,429 | |

Source: Gloucester County Office of Economic Development and Employer Directly.

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

N/A - Information not available

BOROUGH OF WENONAH SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

| Function/Program | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular | 18.8 | 18.6 | 18.8 | 19.2 | 18.7 | 19.8 | 19.9 | 19.9 | 20.4 | 20.4 |
| Special education | 2.3 | 2.1 | 3.6 | 4.0 | 5.2 | 4.6 | 6.0 | 5.5 | 2.0 | 2.0 |
| Other special education | 1.4 | 1.4 | 1.4 | 1.4 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Support services: | | | | | | | | | | |
| Student and instruction related services | 8.6 | 8.8 | 8.9 | 9.3 | 9.2 | 8.0 | 6.1 | 4.9 | 7.8 | 7.8 |
| General administration | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.7 | 1.7 |
| School administration | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Central services | 1.4 | 1.4 | 1.2 | 1.2 | 1.2 | 1.2 | 0.8 | 0.7 | 0.0 | 0.0 |
| Plant operations and maintenance | 1.6 | 2.6 | 3.1 | 3.4 | 3.3 | 2.8 | 2.6 | 2.6 | 2.0 | 2.3 |
| Total | 36.2 | 37.0 | 38.9 | 40.5 | 40.1 | 38.8 | 37.5 | 35.7 | 34.2 | 34.5 |

Source: District personnel records.

BOROUGH OF WENONAH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

| Fiscal Year | Enrollment | Operating Expenditures* | Cost Per Pupil | Percentage Change | Teaching Staff** | Pupil/Teacher Ratio Elementary | Average Daily Enrollment*** | Average Daily Attendance*** | Percentage Change In Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------|----------------|-------------------|------------------|-----------------------------------|-----------------------------|-----------------------------|---|-------------------------------|
| 2018 | 182 | \$ 3,586,780.98 | \$ 19,708 | 6.97% | 22.5 | 8.08:1 | 179.25 | 172.62 | 0.95% | 96.30% |
| 2017 | 177 | 3,555,733.83 | 20,089 | 9.04% | 24.1 | 7.36:1 | 177.13 | 169.84 | -9.46% | 95.88% |
| 2016 | 193 | 3,555,733.83 | 18,423 | 14.07% | 22.9 | 8.43:1 | 195.64 | 188.31 | -6.06% | 96.25% |
| 2015 | 209 | 3,375,632.37 | 16,151 | 6.84% | 24.5 | 8.53:1 | 208.25 | 200.41 | -6.93% | 96.24% |
| 2014 | 227 | 3,431,651.90 | 15,117 | 13.41% | 23.8 | 9.55:1 | 223.75 | 216.34 | -8.79% | 96.69% |
| 2013 | 247 | 3,292,575.33 | 13,330 | 0.10% | 23.3 | 10.62:1 | 245.30 | 235.20 | -0.81% | 95.88% |
| 2012 | 245 | 3,262,803.00 | 13,318 | 14.24% | 21.9 | 11.19:1 | 247.30 | 237.80 | -1.20% | 96.16% |
| 2011 | 253 | 2,949,276.27 | 11,657 | -2.00% | 21.9 | 11.55:1 | 250.30 | 241.10 | 0.40% | 96.32% |
| 2010 | 253 | 3,009,524.34 | 11,895 | 2.23% | 22.4 | 11.29:1 | 249.30 | 239.70 | 1.18% | 96.15% |
| 2009 | 246 | 2,862,542.25 | 11,636 | 7.12% | 22.4 | 10.98:1 | 246.40 | 236.20 | 0.69% | 95.86% |

Source: District's records.

Note: Enrollment based on annual October district count.

* Operating expenditures equal total expenditures less debt service and capital outlay.

** Teaching staff includes only full-time equivalents of certified staff.

*** Average daily enrollment and average daily attendance are obtained from the school register summary.

BOROUGH OF WENONAH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| District buildings: | | | | | | | | | | |
| Elementary: | | | | | | | | | | |
| Wenonah Elementary School (1895): | | | | | | | | | | |
| Square feet | 37,738 | 37,738 | 37,738 | 37,738 | 37,738 | 37,738 | 37,738 | 37,738 | 37,738 | 37,738 |
| Capacity (students) | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 |
| Enrollment | 182 | 177 | 193 | 209 | 227 | 247 | 245 | 253 | 253 | 246 |

Number of schools at June 30, 2018:

Elementary = 1

Source: District facilities office.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October District count.

BOROUGH OF WENONAH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance
 For School Facilities
 11-000-261-xxx

| School Facilities* | Project Number | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Wenonah Elementary School | N/A | \$ 16,471.04 | \$ 37,825.31 | \$ 18,813.77 | \$ 25,697.36 | \$ 27,226.64 | \$ 38,544.74 | \$ 15,460.06 | \$ 18,867.20 | \$ 14,922.90 | \$ 57,525.86 |
| Total school facilities | | <u>16,471.04</u> | <u>37,825.31</u> | <u>18,813.77</u> | <u>25,697.36</u> | <u>27,226.64</u> | <u>38,544.74</u> | <u>15,460.06</u> | <u>18,867.20</u> | <u>14,922.90</u> | <u>57,525.86</u> |
| Grand total | | <u>\$ 16,471.04</u> | <u>\$ 37,825.31</u> | <u>\$ 18,813.77</u> | <u>\$ 25,697.36</u> | <u>\$ 27,226.64</u> | <u>\$ 38,544.74</u> | <u>\$ 15,460.06</u> | <u>\$ 18,867.20</u> | <u>\$ 14,922.90</u> | <u>\$ 57,525.86</u> |

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

Source: District records.

BOROUGH OF WENONAH SCHOOL DISTRICT
Insurance Schedule
June 30, 2018
Unaudited

| | Coverage | Deductible |
|--|--|------------|
| Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF): | | |
| Property / Inland Marine / Automobile Physical | | |
| Damage - JIF Self Insured Retention | \$ 250,000.00 | \$ 500.00 |
| Crime - JIF Self Insured Retention | 250,000.00 | 500.00 |
| General Liability / Auto Liability - JIF Self Insured Retention | 250,000.00 | |
| Educators Legal Liability - JIF Self Insured Retention | 250,000.00 | |
| Workers Compensation - JIF Self Insured Retention | 250,000.00 | |
| School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)*: | | |
| Property / Inland Marine / Automobile Physical Damage | 175,000,000.00 | |
| Crime | 500,000.00 | |
| Workers Compensation | Statutory | |
| General Liability / Auto Liability | 20,000,000.00 | |
| Educators' Legal Liability | 20,000,000.00 | |
| Travelers Insurance Company | | |
| Boiler and Machinery | 125,000,000.00 | 1,000.00 |
| Beazley / Lloyd's of London | | |
| Pollution Legal Liability | 3,000,000.00 | 25,000.00 |
| AI G / Lexington Insurance Company, Inc. | | |
| Cyber Liability | 1,000,000.00 | 10,000.00 |
| Lloyd's of London | | |
| Violent Malicious Acts | 1,000,000.00 | 15,000.00 |
| Lloyd's of London | | |
| Disaster Management Services | 2,000,000.00 | 15,000.00 |
| Public employees' faithful performance blanket position bond - | | |
| The Hanover Insurance Group | | |
| Board Secretary/Business Administrator | 140,000.00 | |
| <u>Excess and Reinsurance Carriers Involved *</u> | | |
| Property and Crime | SPELL JIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Company Alterra Excess & Surplus Insurance Company Ironshore Specialty Insurance Company Evanston Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Colony Insurance Company Arch Specialty Insurance Company United National Insurance Company | |
| General Liability and Automobile Liability | SPELL JIF, Great American Insurance Company | |
| Workers Compensation | SPELL JIF, Great American Insurance Company, Safety National Casualty Company | |
| Educators Legal Liability | SPELL JIF, Great American Insurance Company | |

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
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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
Borough of Wenonah School District
200 North Clinton Avenue
Wenonah, New Jersey 08090

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 Wenonah School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Wenonah School District's basic financial statements, and have issued our report thereon dated January 17, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wenonah 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 Wenonah 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 Wenonah 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

January 17, 2019

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
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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
Borough of Wenonah School District
200 North Clinton Avenue
Wenonah, New Jersey 08090

Report on Compliance for Each Major State Program

We have audited the Wenonah 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 Wenonah School District's major state programs for the year ended June 30, 2018. Wenonah 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 Wenonah 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 Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those

standards, Uniform Guidance and New Jersey OMB Circular 15-08, require that 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 Wenonah 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 Wenonah School District's compliance.

Opinion on Each Major State Program

In our opinion, the Wenonah 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, 2018.

Report on Internal Control Over Compliance

Management of Wenonah 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 Wenonah 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 Wenonah 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 Wenonah School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 17, 2019, 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

January 17, 2019

BOROUGH OF WENONAH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal FAIN Number | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2017 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2018 | | |
|--|---------------------|---------------------|-------------------------------|-------------------|--------------|--------------------------|------------------------------|---------------|------------------------|-------------|------------------------------------|--------------------------|------------------|----------------|
| | | | | | | | | | | | | Accounts Receivable | Unearned Revenue | Due to Grantor |
| U.S. Department of Education | | | | | | | | | | | | | | |
| Passed-Through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Title I | 84.010A | S010A150030 | NCLB559018 | 07/01/17-06/30/18 | 3,127.00 | 0.00 | 0.00 | 3,127.00 | 3,127.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Title I | 84.010A | S010A150030 | NCLB559017 | 07/01/16-06/30/17 | 21,321.00 | (4,807.00) | 0.00 | 4,807.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 84.010A | | | | | (4,807.00) | 0.00 | 7,934.00 | 3,127.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Title II Part A | 84.367A | S367A150029 | NCLB559018 | 07/01/17-06/30/18 | 3,831.00 | 0.00 | 0.00 | 2,588.00 | 3,739.59 | 0.00 | 0.00 | (1,151.59) | 0.00 | (0.00) |
| Title II Part A | 84.367A | S367A150029 | NCLB559017 | 07/01/16-06/30/17 | 2,242.00 | (1,092.00) | 0.00 | 1,092.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 84.367A | | | | | (1,092.00) | 0.00 | 3,680.00 | 3,739.59 | 0.00 | 0.00 | (1,151.59) | 0.00 | (0.00) |
| Title IV Part A | 84.424 | S424A170031 | NCLB559018 | 07/01/17-6/30/18 | 6,000.00 | 0.00 | 0.00 | 5,790.00 | 5,790.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| I.D.E.A. Part B, basic | 84.027 | S027A150100 | IDEA559018 | 07/01/17-06/30/18 | 41,558.00 | 0.00 | 0.00 | 37,778.00 | 41,558.00 | 0.00 | 0.00 | (3,780.00) | 0.00 | 0.00 |
| I.D.E.A. Part B, basic | 84.027 | S027A150100 | IDEA559017 | 07/01/16-06/30/17 | 43,927.00 | (10,476.00) | 0.00 | 10,476.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 84.027 | | | | | (10,476.00) | 0.00 | 48,254.00 | 41,558.00 | 0.00 | 0.00 | (3,780.00) | 0.00 | 0.00 |
| I.D.E.A. Part B, preschool | 84.173 | S173A150114 | IDEA559018 | 07/01/17-06/30/18 | 3,244.00 | 0.00 | 0.00 | 2,919.00 | 3,244.00 | 0.00 | 0.00 | (325.00) | 0.00 | 0.00 |
| I.D.E.A. Part B, preschool | 84.173 | S173A150114 | IDEA559017 | 07/01/16-06/30/17 | 3,270.00 | (327.00) | 0.00 | 327.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 84.173 | | | | | (327.00) | 0.00 | 3,246.00 | 3,244.00 | 0.00 | 0.00 | (325.00) | 0.00 | 0.00 |
| Total Special Education Cluster | | | | | | (10,803.00) | 0.00 | 51,500.00 | 44,802.00 | 0.00 | 0.00 | (4,105.00) | 0.00 | 0.00 |
| Total Special Revenue Fund | | | | | | (16,702.00) | 0.00 | 68,904.00 | 57,458.59 | 0.00 | 0.00 | (5,256.59) | 0.00 | (0.00) |
| Total U.S. Department of Education | | | | | | (16,702.00) | 0.00 | 68,904.00 | 57,458.59 | 0.00 | 0.00 | (5,256.59) | 0.00 | (0.00) |
| Total federal financial awards | | | | | | \$ (16,702.00) | \$ 0.00 | \$ 68,904.00 | \$ 57,458.59 | \$ 0.00 | \$ 0.00 | \$ (5,256.59) | \$ 0.00 | \$ (0.00) |

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

BOROUGH OF WENONAH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2018

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2017 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments/ Repayment of Prior Years' Balances | Balance at June 30, 2018 | | | Memo | | |
|--|-------------------------------|-------------------|---------------|--------------------------|------------------------------|-------------------|------------------------|---|--------------------------|------------------|----------------|----------------------|-------------------------------|--|
| | | | | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures | |
| General fund: | | | | | | | | | | | | | | |
| Equalization aid | 18-495-034-5120-078 | 07/01/17-06/30/18 | \$ 348,977.00 | \$ 0.00 | \$ 0.00 | \$ 348,977.00 | \$ 348,977.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 30,400.76 | \$ 348,977.00 | |
| Special education categorical aid | 18-495-034-5120-089 | 07/01/17-06/30/18 | 140,582.00 | 0.00 | 0.00 | 140,582.00 | 140,582.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,767.43 | 140,582.00 | |
| Transportation aid | 18-495-034-5120-014 | 07/01/17-06/30/18 | 1,070.00 | 0.00 | 0.00 | 1,070.00 | 1,070.00 | 0.00 | 0.00 | 0.00 | 0.00 | 104.87 | 1,070.00 | |
| Security aid | 18-495-034-5120-084 | 07/01/17-06/30/18 | 3,555.00 | 0.00 | 0.00 | 3,555.00 | 3,555.00 | 0.00 | 0.00 | 0.00 | 0.00 | 348.23 | 3,555.00 | |
| Underadequacy aid | 18-495-034-5120-096 | 07/01/17-06/30/18 | 120.00 | 0.00 | 0.00 | 120.00 | 120.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11.68 | 120.00 | |
| Per pupil growth aid | 18-495-034-5120-097 | 07/01/17-06/30/18 | 2,190.00 | 0.00 | 0.00 | 2,190.00 | 2,190.00 | 0.00 | 0.00 | 0.00 | 0.00 | 214.40 | 2,190.00 | |
| PARCC readiness aid | 18-495-034-5120-098 | 07/01/17-06/30/18 | 2,190.00 | 0.00 | 0.00 | 2,190.00 | 2,190.00 | 0.00 | 0.00 | 0.00 | 0.00 | 214.40 | 2,190.00 | |
| Professional learning communities | 18-495-034-5120-101 | 07/01/17-06/30/18 | 1,810.00 | 0.00 | 0.00 | 1,810.00 | 1,810.00 | 0.00 | 0.00 | 0.00 | 0.00 | 177.23 | 1,810.00 | |
| Extraordinary Aid | 18-495-034-5120-044 | 07/01/17-06/30/18 | 22,478.00 | 0.00 | 0.00 | 0.00 | 22,478.00 | 0.00 | (22,478.00) | 0.00 | 0.00 | 0.00 | 22,478.00 | |
| Lead testing for school's aid | 18-495-034-5120-104 | 07/01/16-06/30/17 | 827.00 | 0.00 | 0.00 | 827.00 | 0.00 | (827.00) | 0.00 | 0.00 | 0.00 | 0.00 | 827.00 | |
| Reimbursed T.P.A.F. social security contributions | 18-495-034-5094-003 | 07/01/17-06/30/18 | 104,925.00 | 0.00 | 0.00 | 104,324.83 | 104,324.83 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 104,925.00 | |
| Reimbursed T.P.A.F. social security contributions | 17-495-034-5094-003 | 07/01/16-06/30/17 | 103,464.62 | (5,243.19) | 0.00 | 5,243.19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 103,464.62 | |
| On-behalf T.P.A.F. pension contributions | 18-495-034-5094-002 | 07/01/17-06/30/18 | 211,584.00 | 0.00 | 0.00 | 211,584.00 | 211,584.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 211,584.00 | |
| On-behalf Postretirement medical contributions | 18-495-034-5094-001 | 07/01/17-06/30/18 | 136,658.00 | 0.00 | 0.00 | 136,658.00 | 136,658.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 136,658.00 | |
| On-behalf Long-term disability insurance | 18-495-034-5094-004 | 07/01/17-06/30/18 | 242.00 | 0.00 | 0.00 | 242.00 | 242.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 242.00 | |
| Reimbursement of nonpublic school transportation costs | - | 07/01/17-06/30/18 | 3,770.00 | 0.00 | 0.00 | 0.00 | 3,770.00 | 0.00 | (3,770.00) | 0.00 | 0.00 | 0.00 | 3,770.00 | |
| Reimbursement of nonpublic school transportation costs | - | 07/01/16-06/30/17 | 2,958.00 | (2,958.00) | 0.00 | 2,958.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,958.00 | |
| Total general fund | | | | <u>(8,201.19)</u> | <u>0.00</u> | <u>962,331.02</u> | <u>979,550.83</u> | <u>(827.00)</u> | <u>(26,248.00)</u> | <u>0.00</u> | <u>0.00</u> | <u>45,239.00</u> | <u>1,087,400.62</u> | |
| Total state financial assistance | | | | \$ (8,201.19) | \$ 0.00 | \$ 962,331.02 | \$ 979,550.83 | \$ (827.00) | \$ (26,248.00) | \$ 0.00 | \$ 0.00 | \$ 45,239.00 | \$ 1,087,400.62 | |
| Less: On-Behalf TPAF Pension System Contributions | | | | | | | (348,484.00) | | | | | | | |
| Total for State Financial Assistance-Major Program Determination | | | | | | | \$ 631,066.83 | | | | | | | |

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

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2018**

NOTE 1 - GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include the activity of all federal and state award activity of the Board of Education, Borough of Wenonah 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 are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. 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 for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,204.00 for the general fund and \$4,240.00 for the special revenue fund. See the Notes to Required Supplementary Information (Exhibit C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2018**

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Concluded)

| | Federal | State | Total |
|---------------------------------------|--------------|---------------|-----------------|
| General fund | \$ - | \$ 987,152.82 | \$ 987,152.82 |
| Special revenue fund | 57,458.59 | - | 57,458.59 |
| Total awards and financial assistance | \$ 57,458.59 | \$ 987,152.82 | \$ 1,044,611.41 |

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, 2018. TPAF social security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

NOTE 6 - MAJOR PROGRAMS

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

NOTE 7 - INDIRECT COST RATE

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

NOTE 8 - ADJUSTMENTS TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

The adjustment for Lead testing for schools aid in the amount of \$827.00 is to realize the amount expended in the prior fiscal year.

NOTE 9 - 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.

**BOROUGH OF WENONAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**BOROUGH OF WENONAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Name of State Program

495-034-5120-078
495-034-5120-089
495-034-5120-084
495-034-5120-096
495-034-5120-097
495-034-5120-098
495-034-5120-101

State Aid Public Cluster:
Equalization Aid
Special Education Aid
Security Aid
Under Adequacy Aid
Per Pupil Growth Aid
PARCC Readiness
Professional Learning Community Aid

**BOROUGH OF WENONAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**BOROUGH OF WENONAH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

No matters were reported