

Comprehensive Annual Financial Report

of the

Township of Woodland School District

Chatsworth, New Jersey

For the Fiscal Year Ended June 30, 2018

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
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INTRODUCTORY SECTION

WOODLAND TOWNSHIP BOARD OF EDUCATION
Second Street and John Bowker Jr. Blvd
Chatsworth, NJ 08019

February 15, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Woodland School District (School District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations necessary to enable the reader to gain an understanding of the School 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 School District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey State Treasury Circular 15-08-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Woodland School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the School District are included in this report. The Woodland Board of Education and its school constitute the School District's reporting entity.

1. REPORTING ENTITY AND ITS SERVICES (CONT'D): The School District provides a full range of educational services appropriate to grade levels PSD, K through 8. These include regular education as well as special education services, as well as out of school district placements. The School District completed the 2017-2018 fiscal year with an enrollment of 135 students. The following details the changes in the student enrollment of the School district over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2013-14	149
2014-15	156
2015-16	156
2016-17	143
2017-18	135

2. ECONOMIC CONDITION AND OUTLOOK: The overall real property values of Woodland Township have decreased and are continuing to decrease. The School District budget decreased for the current year, however taxes for township residents are still increasing due to the few ratables within the township's value decreasing significantly.

3. MAJOR INITIATIVES: Students continued to score above the state and national average on the Standard Achievement Tests and the NJASK tests.

The School District has continued to make student achievement and student attendance major priorities for the School District. Procedures, incentives and accountability measures have been put into place in an effort to meet these needs. The School District has established monthly Professional Learning Communities (PLC's) in an effort for teachers to work together to assist in school wide decisions. The PLC's also allow the School District to provide additional specific training to appropriate teachers throughout the school year. School security is an additional initiative the School District is focusing on for the future. The School District is looking into ways to enhance the camera system as well as add a more secure main entrance vestibule area for visitors to enter.

The School District recently completed a comprehensive strategic planning process. Throughout this process the School District and community created five major areas of focus: student achievement, resources, facilities/infrastructure, developing the whole child, and community engagement. The School District will be working over the next three years to implement the goals that were created for each of the these areas in order to enhance the Woodland Township School District for our current students as well as our students of the future.

4. INTERNAL ACCOUNTING CONTROLS: The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School 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 the generally accepted accounting principle (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 (1) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the School 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 School District management. As part of the School District's single audit, 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 School District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements that are accounted for in the capital projects fund. However, the School District did not have any capital projects authorized for the fiscal year ended June 30, 2018. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis; open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2018.

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

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

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

9. OTHER INFORMATION: State statutes require an annual audit by a public school accountant who is either an independent certified public accountant or a registered municipal accountant. The accounting firm of Bowman & Company LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

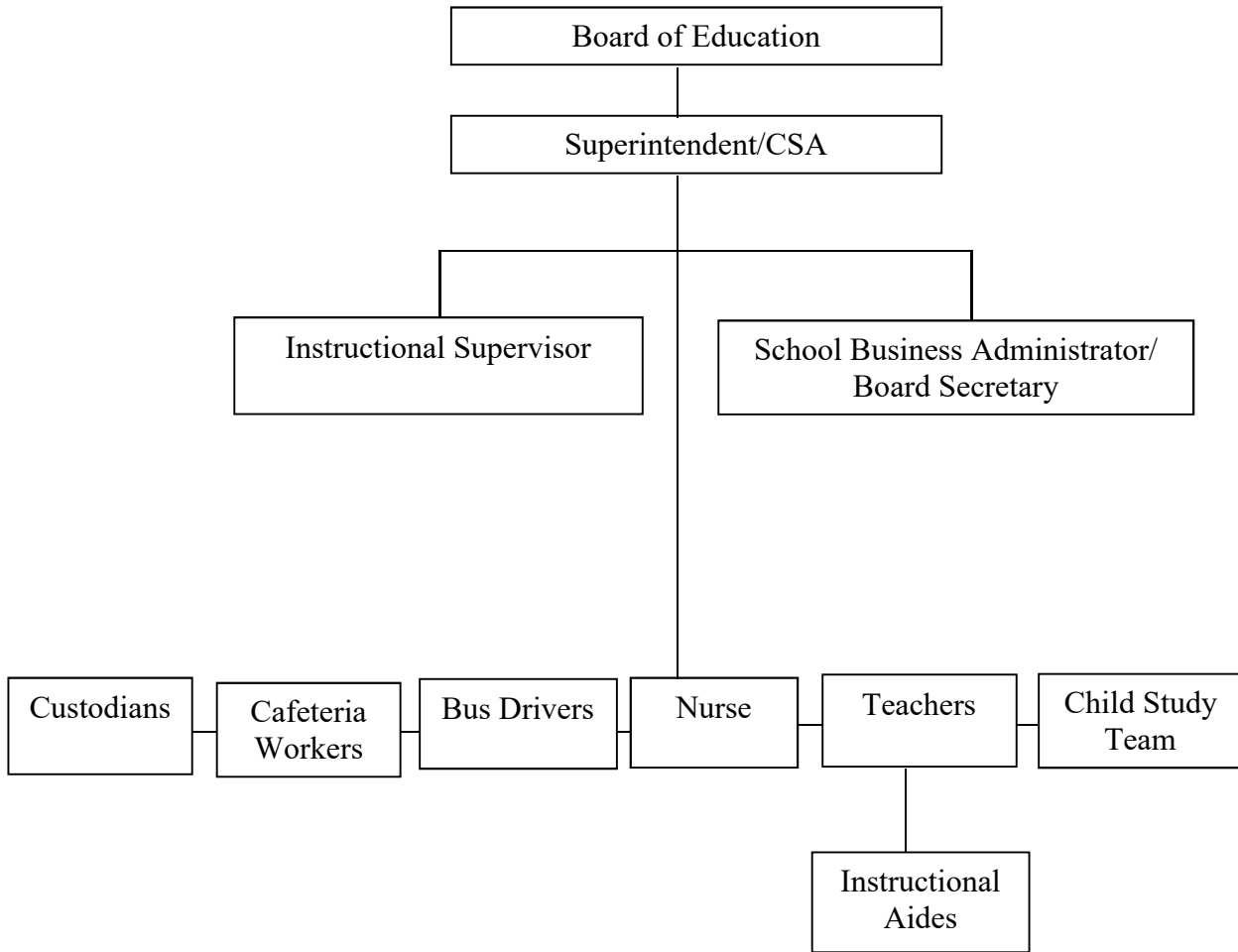
10. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Woodland Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance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

Respectfully submitted,


Misty Weiss
Superintendent


George Gahles
Business Administrator/ Board Secretary

1110 ORGANIZATIONAL CHART



WOODLAND TOWNSHIP BOARD OF EDUCATION

**ROSTER OF OFFICIALS
JUNE 30, 2018**

MEMBERS OF THE BOARD OF EDUCATION **TERM EXPIRES**

Dennis Cronin, President	2018
Edward Vincent, Vice President	2020
William Dirkin	2018
Christopher Diaz	2019
Linda Morris	2018

OTHER OFFICIALS

- Misty Weiss, Superintendent
- Carolyn Fischl, Curriculum Supervisor
- George Gahles, Business Administrator/Board Secretary

WOODLAND TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Leonard-O'Neill Group
Gibbsboro, New Jersey

AUDIT FIRM

Bowman & Company LLP
Voorhees, New Jersey

ATTORNEY

Parker Mc Cay, P.A.
Mount Laurel, New Jersey

OFFICIAL DEPOSITORIES

TD Bank

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Woodland School District
Chatsworth, New Jersey 08019

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Woodland School District, in the County of Burlington, 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 School 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Woodland School District, in the County of Burlington, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in note 10 in the notes to financial statements. Our opinion is not modified with respect to this matter.

Accounting and Financial Difficulties

During the fiscal year, the School District encountered financial difficulties with respect to paying certain obligations in a timely manner. As a result of these financial difficulties, the School District over-expended the 2017-18 budget by \$15,900.16 and completed the 2017-18 fiscal year with a \$25.96 positive net change in fund balance and a budgetary fund balance remaining of \$13,683.80. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed 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 Township of Woodland School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing


standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2019 on our consideration of the Township of Woodland School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Township of Woodland School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Woodland School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
February 15, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Woodland School District
Chatsworth, New Jersey 08019

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Woodland School District, in the County of Burlington, 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 School District's basic financial statements, and have issued our report thereon dated February 15, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and accounting and financial difficulties.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Woodland School District's internal 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Woodland School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as items Findings No. 2018-001 and 2018-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item Finding No. 2018-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Woodland School District's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as items Findings No. 2018-001 and 2018-003.

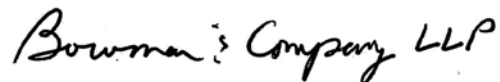
The Township of Woodland School District's Response to Findings

The Township of Woodland School District's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
 Certified Public Accountants
 & Consultants



Robert S. Marrone
 Certified Public Accountant
 Public School Accountant No. CS 01113

Voorhees, New Jersey
 February 15, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

This section of the Township of Woodland School District's annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2018 and 2017. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

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

- During the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement no. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The notes to financial statements provide a more thorough discussion on the implementation of this GASB Statement and the effects to the financial statements.
- The total liabilities and deferred inflows of resources of the School District exceeded its total assets and deferred outflows of resources at the close of the most recent fiscal year by \$282,100.29 (Net Position - Deficit).
- The School District's total net position decreased by \$149,839.58 from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balance deficit of \$77,203.20, an increase of \$25.96 in comparison with the prior year.
- The Woodland Township School District had no outstanding debt at June 30, 2018.

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, notes to the financial statements and supplemental information. The basic financial statements include two kinds of statements that present different views of the Township of Woodland School District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Township of Woodland School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Woodland Township School District, reporting the Township of Woodland School District's operation in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the Township of Woodland School District operates like businesses.
- 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 A-1 summarizes the major features of the Township of Woodland School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Table A-1

MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the school district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the school district operates similar to private businesses: Food Service Fund
Required Financial Statements	Statements of Net Position	Balance sheet	Statement of Net Position
	Statement of Activities	Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Revenue, Expenses and Changes in Fund Net Position
			Statement of Cash Flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	All revenues and expenses during 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 revenue and expenses during the year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report information about the Township of Woodland School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets and deferred outflows and liabilities and deferred inflows. 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 government-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements (Cont'd)

- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities. In the government-wide financial statements the School District's activities are shown in two categories:
- *Governmental activities*- Most of the School 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 School District charges fees to customers to help it cover the costs of certain services it provides. The School District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – focusing on the most significant or “major” funds – not the School District as a whole. Funds are accounting devices the School 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 School 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 School 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 School District's programs. Because this information does not encompass the additional long-term focus of the government-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 School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
- **Fiduciary funds** – The School District is the trustee, or fiduciary, for assets that belong to others. The School 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 School 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 government-wide financial statements because the School District cannot use these assets to finance its operations.

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS OF THE TOWNSHIP OF WOODLAND SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2018 and 2017.

TABLE 1						
Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 117,933.93	\$ 110,344.36	\$ (7,523.73)	\$ (354.54)	\$ 110,410.20	\$ 109,989.82
Capital Assets, net	1,281,528.74	1,228,626.31	7,610.40	8,638.24	1,289,139.14	1,237,264.55
Total Assets	1,399,462.67	1,338,970.67	86.67	8,283.70	1,399,549.34	1,347,254.37
Deferred Outflow of Resources - Related to Pensions	391,316.00	592,802.00			391,316.00	592,802.00
Long-term Liabilities	1,454,627.95	1,742,244.23			1,454,627.95	1,742,244.23
Other Liabilities	234,890.43	233,403.20	1,600.25	1,479.65	236,490.68	234,882.85
Total Liabilities	1,689,518.38	1,975,647.43	1,600.25	1,479.65	1,691,118.63	1,977,127.08
Deferred Inflow of Resources - Related to Pensions	381,847.00	95,190.00			381,847.00	95,190.00
Net Position:						
Net Investment in Capital Assets	1,096,938.25	1,193,352.78	7,610.40	8,638.24	1,104,548.65	1,201,991.02
Restricted	1.00	1.00			1.00	1.00
Unrestricted (Deficit)	(1,377,525.96)	(1,332,418.54)	(9,123.98)	(1,834.19)	(1,386,649.94)	(1,334,252.73)
Total Net Position (Deficit)	\$ (280,586.71)	\$ (139,064.76)	\$ (1,513.58)	\$ 6,804.05	\$ (282,100.29)	\$ (132,260.71)

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

- Program revenues were \$1,058,686.02 as follows:
 - ✓ Operating Grants & Contributions -- \$1,032,118.54
 - ✓ Charges for Services -- \$26,567.48
- General revenues, donated assets and transfers amounted to \$2,811,919.12.
- Net Expenditures were \$2,961,758.70.
- Total School District revenues & beginning net position are adjusted by net adjusted expenditures resulting in a calculation of a deficit net position of \$282,100.29 as of June 30, 2018.
 - ✓ General Revenues \$2,811,919.12 + Beginning Net Position (Deficit) \$(132,260.71) – Net expenditures \$2,961,758.70 = Net Position (Deficit) of \$(282,100.29).

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS OF THE TOWNSHIP OF WOODLAND SCHOOL DISTRICT AS A WHOLE (CONT'D)

Table 2 reflects changes in net position for fiscal years 2018 and 2017.

TABLE 2							
Changes in Net Position							
	Governmental		Business-Type		Total		
	Activities		Activities				
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Revenues:							
Program Revenues:							
Operating Grants and Contributions	\$1,012,697.97	\$1,293,780.02	\$ 19,420.57	\$ 17,647.83	\$1,032,118.54	\$1,311,427.85	
Capital Grants and Contributions				4,838.07		4,838.07	
Charges for Services			26,567.48	17,461.40	26,567.48	17,461.40	
General Revenues:							
Property Taxes	1,882,055.00	1,845,152.00			1,882,055.00	1,845,152.00	
Grants and Contributions not Restricted to Specific Programs	915,579.28	918,653.00			915,579.28	918,653.00	
Other	14,284.84	14,876.76			14,284.84	14,876.76	
Total Revenues	3,824,617.09	4,072,461.78	45,988.05	39,947.30	3,870,605.14	4,112,409.08	
Expenses:							
Instruction	1,572,190.41	1,463,856.93			1,572,190.41	1,463,856.93	
Support Services	2,366,151.65	2,902,664.28			2,366,151.65	2,902,664.28	
Food Service			82,102.66	66,422.98	82,102.66	66,422.98	
Total Expenses	3,938,342.06	4,366,521.21	82,102.66	66,422.98	4,020,444.72	4,432,944.19	
Increase (Decrease) in Net Position before Other Items	(113,724.97)	(294,059.43)	(36,114.61)	(26,475.68)	(149,839.58)	(320,535.11)	
Transfers and Donated Assets	(27,796.98)	227,007.32	27,796.98	32,835.03		259,842.35	
Increase (Decrease) in Net Position	(141,521.95)	(67,052.11)	(8,317.63)	6,359.35	(149,839.58)	(60,692.76)	
Beginning Net Position (Deficit)	(139,064.76)	(72,012.65)	6,804.05	444.70	(132,260.71)	(71,567.95)	
Ending Net Position (Deficit)	<u>\$ (280,586.71)</u>	<u>\$ (139,064.76)</u>	<u>\$ (1,513.58)</u>	<u>\$ 6,804.05</u>	<u>\$ (282,100.29)</u>	<u>\$ (132,260.71)</u>	

Total revenues for the School District were \$3,870,605.14. Government funding was the source of 50.32% of the School District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$1,882,055.00 provided 48.62% of revenues which was 2.95% less than fiscal year 2017.

Other miscellaneous revenues of \$14,284.84 represent 0.37% of the School District revenues and charges for services represent 0.69%. The composition of miscellaneous revenues was primarily provided from donations, field reimbursements and other miscellaneous sources – See Exhibit J-5 herein.

The School District's expenses for government activities are predominantly related to instruction and support services. Instruction totaled \$1,572,190.41 (39.10%) of total expenditures. Student support services including tuition, transportation and administration, totaled \$2,366,151.65 (58.85%) of total expenditures.

Expenditures and transfers for governmental activities and business-type activities exceeded total revenues, decreasing net position \$149,839.58 from the beginning balance as of July 1, 2017.

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Township of Woodland School District's funds are also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the School District completed the year, its governmental funds reported a combined deficit in fund balance of \$77,203.20. At June 30, 2017 the deficit in fund balance was \$77,229.16.

All governmental funds had total revenues of \$3,170,657.09 and total expenditures of \$3,328,139.27.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the School District in providing educational services to students from Kindergarten through Grade 8 including pupil transportation activities and capital outlay projects.

One of the primary sources of funding for the School District is received from local property taxes and accounted for 60.39% of total General Fund revenues. State aid accounted for 39.14% of total General Fund revenues. Miscellaneous revenues accounted for 0.46% of total General Fund Revenues.

Total General Fund revenue increased by \$74,557.84, or 2.45%, from the previous year.

Total General Fund expenditures increased \$142,736.30, or 4.56% from the previous year.

The Woodland Township School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The School District did not anticipate the utilization of fund balance for the 2017-18 school year.

As of June 30, 2018, there was an unassigned deficit in fund balance of \$77,203.20. The deficit is a result from a delay in the payment of state aid until the following fiscal year. The unassigned deficit on the GAAP financial statements is less than the last two state aid payments of \$90,887.00.

FOOD SERVICE FUND

The Food Service Fund had a deficit in net position of \$1,513.58 as of June 30, 2018. This reflects a decrease of \$8,317.63 from June 30, 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000, 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 School District had capital assets with a net book value of \$1,289,139.14. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment. Total depreciation expense for the year was \$133,070.53.

Township of Woodland School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONT'D)

Capital Assets (Cont'd)

Table 3 reflects the capital assets, net of accumulated depreciation.

TABLE 3							
Capital Assets (Net of Accumulated Depreciation)							
	Governmental		Business-Type		Total		
	<u>Activities</u>		<u>Activities</u>				
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Land	\$ 13,820.00	\$ 13,820.00			\$ 13,820.00	\$ 13,820.00	
Land Improvements	579,807.14	623,868.64			579,807.14	623,868.64	
Building and Improvements	406,254.33	462,435.56			406,254.33	462,435.56	
Furniture, Fixtures and Equipment	281,647.27	128,502.11	\$ 7,610.40	\$ 8,638.24	289,257.67	137,140.35	
Total	\$1,281,528.74	\$1,228,626.31	\$ 7,610.40	\$ 8,638.24	\$1,289,139.14	\$1,237,264.55	

Long-term Obligations

At year-end, the School District had no general obligation bonds authorized or outstanding.

The School District had a net pension liability of \$1,140,987.00, a decrease of \$448,976.00 from the previous year's liability.

The School District had a \$127,102.89 liability for compensated absences. This liability represents the School District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. In addition, the School District deferred its 2012 PERS pension liability, which is currently an estimated \$5,809.87 to be repaid over a fifteen year period that commenced in 2012.

THE FUTURE OUTLOOK

The Woodland Township area is not experiencing much growth or expansion due to the building restrictions. The general area surrounding the School District provides the most opportunities for employment for our residents.

The School District's 2018-19 Budget was approved by the Burlington County Superintendent. Any reduction of state aid and/or an increase in expenditures will put an additional burden on the taxpayers of this School District. The School District anticipates that it will adequately satisfy all of the 2018-19 financial needs, barring any significant unexpected situation or condition and has made several changes in the 2018-19 budget to generate additional revenues and reduced expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at:

Woodland Township Board of Education, 2 Giles Avenue, Chatsworth, NJ 08019.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Statement of Net Position
June 30, 2018

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 70,183.79	\$ 501.37	\$ 70,685.16
Internal Balances	10,471.12	(10,471.12)	
Receivables, net	37,279.02	1,335.81	38,614.83
Inventory		1,110.21	1,110.21
Capital Assets, net (Note 6)	1,281,528.74	7,610.40	1,289,139.14
Total Assets	1,399,462.67	86.67	1,399,549.34
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	391,316.00	-	391,316.00
LIABILITIES:			
Accounts Payable:			
Related to Pensions	35,891.00		35,891.00
Other	195,137.13	522.05	195,659.18
Unearned Revenue		1,078.20	1,078.20
Accrued Interest Payable	3,862.30		3,862.30
Noncurrent Liabilities (Note 7):			
Due within One Year	56,331.43		56,331.43
Due beyond One Year	1,398,296.52		1,398,296.52
Total Liabilities	1,689,518.38	1,600.25	1,691,118.63
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	381,847.00	-	381,847.00
NET POSITION:			
Net Investment in Capital Assets	1,096,938.25	7,610.40	1,104,548.65
Restricted for:			
Other Purposes	1.00		1.00
Unrestricted (Deficit)	(1,377,525.96)	(9,123.98)	(1,386,649.94)
Total Net Position (Deficit)	\$ (280,586.71)	\$ (1,513.58)	\$ (282,100.29)

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,014,334.48				\$ (1,014,334.48)		\$ (1,014,334.48)
Special Education	466,545.05		\$ 47,041.00		(419,504.05)		(419,504.05)
Other Special Instruction	91,310.88				(91,310.88)		(91,310.88)
Support Services:							
Tuition	199,987.59				(199,987.59)		(199,987.59)
Student and Instruction Related Services	255,135.29		7,084.00		(248,051.29)		(248,051.29)
School Administrative Services	20,353.71				(20,353.71)		(20,353.71)
General and Business Administrative Services	301,750.17				(301,750.17)		(301,750.17)
Plant Operations and Maintenance	249,858.19				(249,858.19)		(249,858.19)
Pupil Transportation	192,261.11				(192,261.11)		(192,261.11)
Unallocated Benefits	1,146,805.59		958,572.97		(188,232.62)		(188,232.62)
Total Governmental Activities	3,938,342.06	-	1,012,697.97	-	(2,925,644.09)	-	(2,925,644.09)
Business-Type Activities:							
Food Service	82,102.66	\$ 26,567.48	19,420.57	\$ -		\$ (36,114.61)	(36,114.61)
Total Business-Type Activities	82,102.66	26,567.48	19,420.57	-	-	(36,114.61)	(36,114.61)
Total Government	\$ 4,020,444.72	\$ 26,567.48	\$ 1,032,118.54	\$ -	(2,925,644.09)	(36,114.61)	(2,961,758.70)
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, net					1,882,055.00		1,882,055.00
Federal and State Aid not Restricted					915,579.28		915,579.28
Miscellaneous Income					14,284.84		14,284.84
Operating Transfers					(27,796.98)	27,796.98	
Total General Revenues and Transfers					2,784,122.14	27,796.98	2,811,919.12
Change in Net Position					(141,521.95)	(8,317.63)	(149,839.58)
Net Position (Deficit) -- July 1					(139,064.76)	6,804.05	(132,260.71)
Net Position (Deficit) -- June 30					\$ (280,586.71)	\$ (1,513.58)	\$ (282,100.29)

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2018

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 68,184.75	\$ 1,999.04	\$ 70,183.79
Interfunds Receivable	24,874.95		24,874.95
Receivables from Other Governments	9,539.19	10,273.53	19,812.72
Other Accounts Receivable	<u>13,336.00</u>		<u>13,336.00</u>
Total Assets	<u><u>\$ 115,934.89</u></u>	<u><u>\$ 12,272.57</u></u>	<u><u>\$ 128,207.46</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfunds Payable		\$ 10,273.53	\$ 10,273.53
Accounts Payable	<u>\$ 193,138.09</u>	<u>1,999.04</u>	<u>195,137.13</u>
Total Liabilities	<u>193,138.09</u>	<u>12,272.57</u>	<u>205,410.66</u>
Fund Balances:			
Restricted:			
Capital Reserve	1.00		1.00
Assigned:			
Other Purposes	315.00		315.00
Unassigned (Deficit)	<u>(77,519.20)</u>		<u>(77,519.20)</u>
Total Fund Balances (Deficits)	<u>(77,203.20)</u>	<u>-</u>	<u>(77,203.20)</u>
Total Liabilities and Fund Balances (Deficits)	<u><u>\$ 115,934.89</u></u>	<u><u>\$ 12,272.57</u></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 \$3,637,449.98, and the accumulated depreciation is \$2,355,921.24.	1,281,528.74
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.	(313,640.95)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(3,862.30)
Net Pension Liability	(1,140,987.00)
Accounts Payable related to the April 1, 2019 Required PERS pension contribution that is not to be liquidated with current financial resources.	(35,891.00)
Deferred Outflows of Resources - Related to Pensions	391,316.00
Deferred Inflows of Resources - Related to Pensions	<u>(381,847.00)</u>
Net position (Deficit) of governmental activities	<u><u>(280,586.71)</u></u>

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

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Tax Levy	\$ 1,882,055.00		\$ 1,882,055.00
Miscellaneous	14,284.84		14,284.84
State Sources	1,219,837.47		1,219,837.47
Federal Sources	354.78	\$ 54,125.00	54,479.78
Total Revenues	3,116,532.09	54,125.00	3,170,657.09
EXPENDITURES:			
Regular Instruction	917,314.14		917,314.14
Special Education Instruction	422,143.22	47,041.00	469,184.22
Other Instruction	87,330.70		87,330.70
Support Services and Undistributed Costs:			
Tuition	199,987.59		199,987.59
Student and Instruction Related Services	247,203.52	7,084.00	254,287.52
School Administrative Services	12,713.84		12,713.84
General Administrative Services	293,799.28		293,799.28
Plant Operations and Maintenance	231,656.82		231,656.82
Pupil Transportation	213,791.06		213,791.06
Unallocated Benefits	158,156.01		158,156.01
Reimbursed TPAF Pension and Social Security	304,612.97		304,612.97
Capital Outlay	185,305.12		185,305.12
Total Expenditures	3,274,014.27	54,125.00	3,328,139.27
Excess (Deficiency) of Revenues over Expenditures	(157,482.18)	-	(157,482.18)
OTHER FINANCING SOURCES (USES):			
Assets Acquired under Capital Lease	185,305.12		185,305.12
Operating Transfers Out	(27,796.98)	-	(27,796.98)
Net Change in Fund Balances	25.96	-	25.96
Fund Balance (Deficit) -- July 1	(77,229.16)		(77,229.16)
Fund Balance (Deficit) -- June 30	\$ (77,203.20)	\$ -	\$ (77,203.20)

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	25.96
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(132,402.69)
Capital Outlays		<u>185,305.12</u>
		52,902.43
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.		39,427.78
Assets acquired under capital leases do not affect the Statement of Net Position however, are reported as a financing source in the governmental funds.		(185,305.12)
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 decrease in accrued interest is an addition in the reconciliation (+).		(3,439.62)
Governmental funds report the effect of premiums, discounts and similar items when long-term debt (bonds) are first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the amortized premium and the deferral of pension in the treatment of long-term debt and related items.		726.23
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 (+).		(16,208.61)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceed the School District's pension contributions in the current period.		<u>(29,651.00)</u>
Change in Net Position of Governmental Activities	\$	<u>(141,521.95)</u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Net Position
June 30, 2018

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 501.37
Accounts Receivable:	
State	40.75
Federal	1,269.81
Other	25.25
Inventories	<u>1,110.21</u>
Total Current Assets	<u>2,947.39</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	38,044.43
Less: Accumulated Depreciation	<u>(30,434.03)</u>
Total Noncurrent Assets	<u>7,610.40</u>
Total Assets	<u>10,557.79</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	522.05
Unearned Revenue	1,078.20
Interfund Accounts Payable:	
Due General Fund	<u>10,471.12</u>
Total Liabilities	<u>12,071.37</u>
NET POSITION:	
Net Investment in Capital Assets	7,610.40
Unrestricted (Deficit)	<u>(9,123.98)</u>
Total Net Position (Deficit)	<u>\$ (1,513.58)</u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 15,489.80
School Breakfast Program	25.85
Daily Sales - Non-Reimbursable Programs	11,035.55
Miscellaneous	<u>16.28</u>
Total Operating Revenues	<u>26,567.48</u>
OPERATING EXPENSES:	
Salaries	40,782.81
Benefits	7,389.40
General Supplies	1,050.18
Purchased Services	356.00
Depreciation	1,027.84
Cost of Sales - Reimbursable Programs	26,336.73
Cost of Sales - Non-Reimbursable Programs	4,921.44
Miscellaneous	<u>238.26</u>
Total Operating Expenses	<u>82,102.66</u>
Operating Income (Loss)	<u>(55,535.18)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	486.83
Federal Sources:	
National School Lunch Program	14,083.05
National School Breakfast Program	1,260.62
Food Distribution Program	<u>3,590.07</u>
Total Nonoperating Revenues (Expenses)	<u>19,420.57</u>
Income (Loss) before Contributions and Transfers	<u>(36,114.61)</u>
CONTRIBUTIONS AND TRANSFERS:	
Operating Transfers In - General Fund	<u>27,796.98</u>
Total Contributions and Transfers	<u>27,796.98</u>
Change in Net Position	(8,317.63)
Net Position -- July 1	<u>6,804.05</u>
Net Position (Deficit) -- June 30	<u>\$ (1,513.58)</u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 26,487.67
Payments for Supplies and Services	<u>(3,257.53)</u>
Net Cash Provided by (Used for) Operating Activities	<u>23,230.14</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Federal Sources	3,257.53
Operating Subsidies and Transfers to Other Funds	<u>(26,970.00)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(23,712.47)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(482.33)
Cash and Cash Equivalents -- July 1	<u>983.70</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 501.37</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (55,535.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	1,027.84
(Increase) Decrease in Inventories	571.18
Increase (Decrease) in Unearned Revenue	(68.91)
(Increase) Decrease in Accounts Receivable	(17.65)
Increase (Decrease) in Accounts Payable	522.05
Increase (Decrease) in Interfund Payable	<u>76,730.81</u>
Total Adjustments	<u>78,765.32</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 23,230.14</u></u>

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2018

	Agency Funds	
	Student Activity	Payroll
ASSETS:		
Cash and Cash Equivalents	\$ 1,136.59	\$ 14,658.90
Total Assets	\$ 1,136.59	\$ 14,658.90
LIABILITIES:		
Interfund Accounts Payable:		
Due General Fund	\$ 101.00	\$ 4,029.30
Payable to Student Groups	1,035.59	
Payroll Deductions and Withholdings		10,629.60
Total Liabilities	\$ 1,136.59	\$ 14,658.90

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Woodland School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its one school. The School District has an approximate enrollment at June 30, 2018 of 135.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. 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. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account. The School District does not maintain a capital projects fund.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The School District does not maintain a debt service fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. The School District does not maintain a permanent fund.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - The School District does not maintain any private-purpose trust funds.

As a general rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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 and exhibit C-2, includes all amendments to the adopted budget, if any.

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 School 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 aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. 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, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

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.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

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.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

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. The School District had no prepaid expenses for the fiscal year ended June 30, 2018.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses (Cont'd)**

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures 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.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable or accounts payable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 20 Years
Buildings and Improvements	25 - 50 Years
Furniture, Fixtures and Equipment	5 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans and postemployment benefit plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2018 and 2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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.

Pensions

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

Net Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

Fund Balance

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

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

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

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, 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 expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of this Statement required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. In addition, the School District was required to include additional note disclosures (see note 10) and required supplementary information related to postemployment benefits.

Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of this Statement had no impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2018:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

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 School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (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 School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2018, none of the School District's bank balances of \$157,738.91 were uninsured or uncollateralized.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 in September 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either 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.

There was no activity in the capital reserve account for the July 1, 2017 to June 30, 2018 fiscal year.

The June 30, 2018 LRFP balance of local support costs of uncompleted projects at June 30, 2018 is \$3,702,000.00.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards		\$ 10,273.53	\$ 10,273.53	\$ 1,269.81	\$ 1,269.81	\$ 11,543.34
State Awards	\$ 9,539.19		9,539.19	40.75	40.75	9,579.94
Tuition Charges	13,336.00		13,336.00			13,336.00
Fiduciary Fund	4,130.30		4,130.30			4,130.30
Provided Services				25.25	25.25	25.25
	<u>\$ 27,005.49</u>	<u>\$ 10,273.53</u>	<u>\$ 37,279.02</u>	<u>\$ 1,335.81</u>	<u>\$ 1,335.81</u>	<u>\$ 38,614.83</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2018 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	<u>\$ 1,110.21</u>
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Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 13,820.00			\$ 13,820.00
Total Capital Assets, not being Depreciated	13,820.00	-	-	13,820.00
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	483,706.15	\$ 185,305.12	\$ (219,000.00)	450,011.27
Buildings and Improvements	2,412,780.50			2,412,780.50
Land Improvements	760,838.21			760,838.21
Total Capital Assets, being Depreciated	3,657,324.86	185,305.12	(219,000.00)	3,623,629.98
Total Capital Assets, Cost	3,671,144.86	185,305.12	(219,000.00)	3,637,449.98
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(355,204.04)	(32,159.96)	219,000.00	(168,364.00)
Buildings and Improvements	(1,950,344.94)	(56,181.23)		(2,006,526.17)
Land Improvements	(136,969.57)	(44,061.50)		(181,031.07)
Total Accumulated Depreciation	(2,442,518.55)	(132,402.69)	219,000.00	(2,355,921.24)
Total Capital Assets, being Depreciated, Net	1,214,806.31	52,902.43	-	1,267,708.74
Governmental Activities Capital Assets, Net	<u>\$ 1,228,626.31</u>	<u>\$ 52,902.43</u>	<u>\$ -</u>	<u>\$ 1,281,528.74</u>
	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 38,044.43			\$ 38,044.43
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(29,406.19)	\$ (1,027.84)		(30,434.03)
Business-Type Activities Capital Assets, Net	<u>\$ 8,638.24</u>	<u>\$ (1,027.84)</u>	<u>\$ -</u>	<u>\$ 7,610.40</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Regular Instruction	\$ 86,273.16
Other Administrative Services	15,036.41
Plant Operations and Maintenance	5,012.14
Pupil Transportation	<u>26,080.98</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 132,402.69</u>
Business-Type Activities:	
Food Service	<u>\$ 1,027.84</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Obligations under Capital Lease	\$ 34,850.85	\$ 185,305.12	\$ (39,427.78)	\$ 180,728.19	\$ 35,430.43
Pension (PERS) Payment Deferral	6,536.10		(726.23)	5,809.87	726.23
Net Pension Liability (note 9)	1,589,963.00	525,673.00	(974,649.00)	1,140,987.00	
Compensated Absences	110,894.28	36,404.23	(20,195.62)	127,102.89	20,174.77
Total Other Liabilities	<u>1,742,244.23</u>	<u>747,382.35</u>	<u>(1,034,998.63)</u>	<u>1,454,627.95</u>	<u>56,331.43</u>
Governmental Activities Long-Term Liabilities	<u>\$ 1,742,244.23</u>	<u>\$ 747,382.35</u>	<u>\$ (1,034,998.63)</u>	<u>\$ 1,454,627.95</u>	<u>\$ 56,331.43</u>

The obligations under capital lease, pension deferral, net pension liability, and compensated absences are liquidated by the general fund.

Obligations under Capital Lease - The School District is leasing school buses with a total cost of \$243,437.52 under capital leases. All capital leases are for terms of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2018.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 35,430.43	\$ 5,713.67	\$ 41,144.10
2020	36,583.34	4,560.76	41,144.10
2021	25,317.86	3,370.14	28,688.00
2022	83,396.56	2,603.44	86,000.00
Total	<u>\$ 180,728.19</u>	<u>\$ 16,248.01</u>	<u>\$ 196,976.20</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for 2008-09 fiscal year. Commencing in fiscal year June 30, 2010, and beyond, the full annual PERS pension liability is required to be budgeted and paid.

The School District elected to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$10,839.50. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 7.95%.

Principal and interest due on the outstanding pension deferral is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Projected Interest</u>	<u>Total Projected Payment</u>
2019	\$ 726.23	\$ 479.31	\$ 1,205.54
2020	726.23	419.40	1,145.63
2021	726.23	359.49	1,085.72
2022	726.23	299.57	1,025.80
2023	726.23	239.66	965.89
2024-2027	<u>2,178.72</u>	<u>359.48</u>	<u>2,538.20</u>
Total	<u>\$ 5,809.87</u>	<u>\$ 2,156.91</u>	<u>\$ 7,966.78</u>

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2018, the School District had operating lease agreements in effect for copy machines, computers and maintenance equipment. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 5,396.03
2020	3,317.76
2021	<u>552.96</u>
	<u>\$ 9,266.75</u>

Rental payments under operating leases for the fiscal year ended June 30, 2018 were \$11,077.87.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and TPAF plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions/gasb-notice.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

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

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

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 8.82% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$100,516.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$85,464.36.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 16.72% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$45,407.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$16,752.02.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2018, employee contributions totaled \$11,897.67, and the School District recognized pension expense, which equaled the required contributions, of \$6,489.58. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2018, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	6,035,364.00
	<u>\$ 6,035,364.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. For the June 30, 2017 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2017, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2017 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0089514107%, which was an increase of 0.0005203542% from its proportion measured as of June 30, 2016.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - For the fiscal year ended June 30, 2018, the School District recognized \$418,099.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Public Employees' Retirement System - At June 30, 2018, the School District reported a liability of \$1,140,987.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the School District's proportion was 0.0049014824%, which was a decrease of 0.0004669065% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized pension expense of \$75,057.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 26,866.00	\$ -
Changes of Assumptions	229,870.00	229,027.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,769.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	90,920.00	152,820.00
School District Contributions Subsequent to the Measurement Date	35,891.00	-
	<u>\$ 391,316.00</u>	<u>\$ 381,847.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - \$35,891.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2019	\$	19,620.00
2020		33,292.00
2021		4,216.00
2022		(50,827.00)
2023		(32,723.00)
		<hr/>
	\$	<u>(26,422.00)</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
2012-2021	Varies Based on Experience	-
Through 2026	-	1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

For TPAF, pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2017 were 4.25% and 5.00% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036 for TPAF and 2040 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 for TPAF and 2040 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2017, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.25%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	7,170,202.00	6,035,364.00	5,100,480.00
	<u>\$ 7,170,202.00</u>	<u>\$ 6,035,364.00</u>	<u>\$ 5,100,480.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 1,415,472.00	\$ 1,140,987.00	\$ 912,307.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS's respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") 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 Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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.

Employees Covered by Benefit Terms - At June 30, 2018, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<hr/>
	366,078
	<hr/> <hr/>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2018 was \$8,124,381.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The total Non-Employer OPEB Liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was 0.0151461688%, which was an increase of 0.0000401296% from its proportion measured as of June 30, 2016.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2016 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP (1)</u>	<u>PERS (2)</u>	<u>PFRS (2)</u>
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) - Based on years of service

(2) - Based on age

Inflation Rate - 2.50%.

Mortality Rates - Preretirement 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. Postretirement 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.

Experience Studies - 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, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Changes in the Total Non-Employer OPEB Liability - The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2017		\$	8,736,092.00
Changes for the Year:			
Service Cost	\$	310,030.00	
Interest Cost		255,250.00	
Changes in Assumptions		(995,742.00)	
Gross Benefit Payments		(188,178.00)	
Member Contributions		6,929.00	
Net Changes			<u>(611,711.00)</u>
Balance at June 30, 2018		\$	<u>8,124,381.00</u>

There were no changes in benefit terms between the June 30, 2016 measurement date and the June 30, 2017 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% for the June 30, 2016 measurement date to 3.58% for the June 30, 2017 measurement date.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the School District, using a discount rate of 3.58%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 9,644,226.39</u>	<u>\$ 8,124,381.00</u>	<u>\$ 6,918,825.19</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2017, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 6,681,517.99</u>	<u>\$ 8,124,381.00</u>	<u>\$ 10,040,486.10</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability - For the fiscal year ended June 30, 2018, the School District recognized \$457,068.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2017 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2018, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ 18,338.00	\$ -
Changes of Assumptions or Other Inputs	<u>-</u>	<u>960,838.00</u>
	<u>\$ 18,338.00</u>	<u>\$ 960,838.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ (110,363.30)
2020	(110,363.30)
2021	(110,363.30)
2022	(110,363.30)
2023	(110,363.30)
Thereafter	<u>(390,683.50)</u>
	<u>\$ (942,500.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$133,133.00, \$3,231.00, \$88,074.00, and \$106.00, respectively.

Note 12: RISK MANAGEMENT

The School 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 School District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable - Equivest
Lincoln Investment Planning

Note 14: COMPENSATED ABSENCES

The School 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which, if unused, may be converted to sick days and carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreement with the Education Association and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, the liability for compensated absences in the governmental activities fund was \$127,102.89 and there was no liability in the proprietary fund in accordance with School District policy that all compensated absences are expected to be paid from governmental activities.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 24,874.95	
Special Revenue		\$ 10,273.53
Food Service		10,471.12
Fiduciary		4,130.30
	<u>\$ 24,874.95</u>	<u>\$ 24,874.95</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2019, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>
	<u>Food Service Fund</u>
General Fund	<u>\$ 27,796.98</u>

The interfund transfer from the General Fund to the Food Service Fund was for the portion of salaries and benefits paid by the General Fund and for the reduction of the Food Service Fund deficit in operations for the fiscal year ended June 30, 2018.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$77,519.20 in the general fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$77,519.20 is less than the June state aid payments.

Note 19: FUND BALANCES**NONSPENDABLE**

As stated in note 1, 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 School District does not have any nonspendable fund balances as of June 31, 2018.

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (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. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is \$1.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2018, the School District had \$315.00 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 19: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2018, there was a deficit unassigned fund balance of \$77,519.20. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
General Fund:					
Local Sources:					
Local Tax Levy	\$ 1,882,055.00		\$ 1,882,055.00	\$ 1,882,055.00	
Unrestricted Miscellaneous Revenues	2,000.00		2,000.00	14,284.84	\$ 12,284.84
Total - Local Sources	1,884,055.00	-	1,884,055.00	1,896,339.84	12,284.84
State Sources:					
Transportation Aid	58,119.00		58,119.00	58,119.00	
Special Education Aid	88,141.00		88,141.00	88,141.00	
Equalization Aid	706,424.00		706,424.00	706,424.00	
Security Aid	14,839.00		14,839.00	14,839.00	
Adjustment Aid	40,035.00	\$ (3,131.00)	36,904.00	36,904.00	
PARCC Readiness Aid	1,430.00		1,430.00	1,430.00	
Per Pupil Growth Aid	1,430.00		1,430.00	1,430.00	
Professional Learning Community Aid	1,520.00		1,520.00	1,520.00	
Extraordinary Aid				5,650.00	5,650.00
Lead Testing Aid				462.50	462.50
Reimbursed TPAF Social Security Contributions (non-budgeted)				80,068.97	80,068.97
On-Behalf TPAF Post Retirement Medical (non-budgeted)				88,074.00	88,074.00
On-Behalf Teacher's Pension and Annuity Fund (non-budgeted)				133,133.00	133,133.00
On-Behalf TPAF Non-Contributory Insurance (non-budgeted)				3,231.00	3,231.00
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)				106.00	106.00
Total - State Sources	911,938.00	(3,131.00)	908,807.00	1,219,532.47	310,725.47
Federal Sources:					
Special Education Personnel Development Grant				354.78	354.78
Total - Federal Sources	-	-	-	354.78	354.78
Total Revenues	2,795,993.00	(3,131.00)	2,792,862.00	3,116,227.09	323,365.09

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 46,125.00	\$ 6,080.90	\$ 52,205.90	\$ 52,205.90	
Grades 1 - 5	320,989.00	2,395.16	323,384.16	323,384.16	
Grades 6 - 8	216,316.00	1,595.21	217,911.21	217,911.21	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	7,381.00	(6,791.45)	589.55		\$ 589.55
Purchased Professional and Educational Services	10,000.00	25,796.19	35,796.19	35,796.19	
Purchased Technical Services	24,000.00	8,978.65	32,978.65	34,016.15	(1,037.50)
Other Purchased Services	5,000.00	10,475.89	15,475.89	13,055.89	2,420.00
General Supplies	25,000.00	12,238.95	37,238.95	37,238.95	
Textbooks	24,947.00	(4,232.92)	20,714.08	20,714.08	
Other Objects	10,000.00	15,028.54	25,028.54	19,335.54	5,693.00
Total Regular Programs	689,758.00	71,565.12	761,323.12	753,658.07	7,665.05
Special Education:					
Resource Room/Center:					
Salaries of Teachers	219,350.00	56,188.22	275,538.22	275,538.22	
Other Salaries for Instruction	127,000.00	(12,000.00)	115,000.00	115,000.00	
Total - Resource Room/Center	346,350.00	44,188.22	390,538.22	390,538.22	-
Total - Special Education	346,350.00	44,188.22	390,538.22	390,538.22	-
Basic Skills/Remedial:					
Salaries of Teachers	37,133.00	(23.22)	37,109.78	37,088.40	21.38
Total - Basic Skills/Remedial	37,133.00	(23.22)	37,109.78	37,088.40	21.38
School Sponsored Cocurricular Athletics - Instruction:					
Salaries	4,000.00	8,500.00	12,500.00	12,500.00	
Supplies and Materials	2,000.00	(662.58)	1,337.42	1,337.42	
Total - School Sponsored Cocurricular Athletics - Instruction	6,000.00	7,837.42	13,837.42	13,837.42	-
Other Instructional Programs - Instruction:					
Salaries	18,000.00	2,601.88	20,601.88	20,601.88	
Total - School Sponsored Cocurricular Athletics - Instruction	18,000.00	2,601.88	20,601.88	20,601.88	-
Total - Instruction	1,097,241.00	126,169.42	1,223,410.42	1,215,723.99	7,686.43

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within State-Special	\$ 10,000.00	\$ 1,170.01	\$ 11,170.01	\$ 11,170.01	
Tuition to Private School for the Disabled	227,148.00	(38,451.42)	188,696.58	188,696.58	
Tuition - Other	5,000.00	(4,859.85)	140.15	121.00	\$ 19.15
Total Undistributed Expenditures - Instruction	242,148.00	(42,141.26)	200,006.74	199,987.59	19.15
Undistributed Expenditures - Attendance and Social Work:					
Salaries	5,166.00		5,166.00	5,164.61	1.39
Total Undistributed Expenditures - Attendance and Social Work	5,166.00	-	5,166.00	5,164.61	1.39
Undistributed Expenditures:					
Health Services					
Salaries	82,820.00	9,857.33	92,677.33	92,677.33	
Purchased Professional and Technical Services	2,000.00	2,125.00	4,125.00	4,125.00	
Supplies and Materials	1,104.00	1,333.17	2,437.17	2,437.17	
Total Health Services	85,924.00	13,315.50	99,239.50	99,239.50	-
Other Support Services - Students - Related Services:					
Purchased Professional and Educational Services	27,500.00	(3,091.48)	24,408.52	26,828.52	(2,420.00)
Total - Other Support Services - Students - Related Services	27,500.00	(3,091.48)	24,408.52	26,828.52	(2,420.00)
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	80,000.00	10,250.00	90,250.00	89,999.92	250.08
Salaries of Secretarial and Clerical Assistants	5,166.00		5,166.00	5,164.61	1.39
Total Other Support Services - Students - Special Services	85,166.00	10,250.00	95,416.00	95,164.53	251.47
Other Support Services - Improvement of Instruction Services					
Salaries of Supervisor of Instruction	10,250.00	(10,250.00)			
Supplies and Materials		3,864.77	3,864.77	3,864.77	
Total Other Support Services - Improvement of Instruction Services	10,250.00	(6,385.23)	3,864.77	3,864.77	-
Educational Media Services/School Library:					
Salaries	14,734.00	(13,595.41)	1,138.59	1,138.59	
Purchased Professional and Technical Services	500.00	(500.00)			
Supplies and Materials	1,500.00	(1,500.00)			
Total Educational Media Services/School Library	16,734.00	(15,595.41)	1,138.59	1,138.59	-

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 95,506.00	\$ 11,763.61	\$ 107,269.61	\$ 107,215.50	\$ 54.11
Legal Services	10,000.00	(762.23)	9,237.77	8,922.77	315.00
Audit Fees	20,000.00	6,000.00	26,000.00	26,000.00	
Other Purchased Professional Services	10,000.00	3,477.65	13,477.65	13,477.65	
Communications/Telephone	5,000.00	3,065.41	8,065.41	8,779.56	(714.15)
Mileage	5,000.00	(1,387.43)	3,612.57	3,612.57	
Miscellaneous Expenditures	1,500.00	3,915.35	5,415.35	5,415.35	
Total Support Services General Administration	147,006.00	26,072.36	173,078.36	173,423.40	(345.04)
Support Services School Administration:					
Salaries of Secretarial and Clerical Assistants	5,166.00	4,611.37	9,777.37	9,777.37	
Other Salaries	10,086.00	(10,086.00)			
Other Purchased Services	3,000.00	(63.53)	2,936.47	2,936.47	
Total Support Services School Administration	18,252.00	(5,538.16)	12,713.84	12,713.84	-
Central Services:					
Salaries	66,625.00	2,965.00	69,590.00	69,590.00	
Miscellaneous Purchased Services	10,000.00	5,304.12	15,304.12	15,198.61	105.51
Supplies and Materials	500.00		500.00	434.27	65.73
Total Central Services	77,125.00	8,269.12	85,394.12	85,222.88	171.24
Allowable Maintenance for School Facilities:					
Salaries		3,192.74	3,192.74	3,192.74	
Cleaning, Repair & Maintenance Services	30,000.00	(6,406.28)	23,593.72	23,593.72	
General Supplies	8,000.00	(3,294.02)	4,705.98	4,555.47	150.51
Total - Allowable Maintenance for School Facilities	38,000.00	(6,507.56)	31,492.44	31,341.93	150.51
Other Operation and Maintenance of Plant Services:					
Salaries	52,560.00	6,851.37	59,411.37	59,411.37	
Cleaning, Repair & Maintenance Services	13,000.00	2,974.31	15,974.31	15,974.31	
Insurance	16,800.00	15,220.93	32,020.93	32,010.73	10.20
Supplies	10,000.00	(1,511.74)	8,488.26	8,488.26	
Energy (Heat & Electricity)	20,850.00	(178.54)	20,671.46	20,671.46	
Energy (Oil)	20,850.00	4,208.76	25,058.76	25,058.76	
Total - Other Operation and Maintenance of Plant Services	134,060.00	27,565.09	161,625.09	161,614.89	10.20
Total - Operation and Maintenance of Plant Services	172,060.00	21,057.53	193,117.53	192,956.82	160.71

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 4,100.00	\$ (2,166.77)	\$ 1,933.23	\$ 1,933.23	
Salaries for Pupil Transportation (Bet Home & School) - Regular	38,791.00	32,302.37	71,093.37	71,093.37	
Salaries for Pupil Transportation (Bet Home & School) - Special Education	38,883.00	1,046.14	39,929.14	39,929.14	
Other Purchased Services	10,000.00	(90.50)	9,909.50	9,647.50	\$ 262.00
Cleaning, Repair & Maintenance Services	20,000.00	(17,298.43)	2,701.57	2,701.57	
Lease Purchase Payments	14,000.00	27,538.09	41,538.09	41,538.09	
Supplies and Materials	24,000.00	(4,502.20)	19,497.80	23,298.16	(3,800.36)
Total Student Transportation Services	<u>149,774.00</u>	<u>36,828.70</u>	<u>186,602.70</u>	<u>190,141.06</u>	<u>(3,538.36)</u>
Regular Programs - Instruction - Employee Benefits:					
Health Benefits	283,863.00	(131,244.40)	152,618.60	163,656.07	(11,037.47)
Total Regular Programs - Instruction - Employee Benefits	<u>283,863.00</u>	<u>(131,244.40)</u>	<u>152,618.60</u>	<u>163,656.07</u>	<u>(11,037.47)</u>
Special Programs - Instruction - Employee Benefits:					
Health Benefits	31,605.00		31,605.00	31,605.00	
Total Special Programs - Instruction - Employee Benefits	<u>31,605.00</u>	<u>-</u>	<u>31,605.00</u>	<u>31,605.00</u>	<u>-</u>
Health Services - Employee Benefits:					
Health Benefits	15,803.00		15,803.00	15,803.00	
Total Health Services - Employee Benefits	<u>15,803.00</u>	<u>-</u>	<u>15,803.00</u>	<u>15,803.00</u>	<u>-</u>
Child Study Teams - Employee Benefits:					
Health Benefits	15,803.00		15,803.00	15,803.00	
Total Child Study Teams - Employee Benefits	<u>15,803.00</u>	<u>-</u>	<u>15,803.00</u>	<u>15,803.00</u>	<u>-</u>
General Administration - Employee Benefits:					
Health Benefits	19,350.00		19,350.00	19,350.00	
Total General Administration - Employee Benefits	<u>19,350.00</u>	<u>-</u>	<u>19,350.00</u>	<u>19,350.00</u>	<u>-</u>
Central Services - Employee Benefits:					
Health Benefits	15,803.00		15,803.00	15,803.00	
Total Central Services - Employee Benefits	<u>15,803.00</u>	<u>-</u>	<u>15,803.00</u>	<u>15,803.00</u>	<u>-</u>

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Required Maintenance for School Facilities					
Health Benefits	\$ 38,700.00		\$ 38,700.00	\$ 38,700.00	
Total Required Maintenance for School Facilities - Employee Benefits	<u>38,700.00</u>	<u>-</u>	<u>38,700.00</u>	<u>38,700.00</u>	<u>-</u>
Student Transportation Services - Employee Benefits:					
Health Benefits	<u>23,650.00</u>		<u>23,650.00</u>	<u>23,650.00</u>	
Total Student Transportation Services - Employee Benefits	<u>23,650.00</u>	<u>-</u>	<u>23,650.00</u>	<u>23,650.00</u>	<u>-</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	50,400.00	\$ (7,409.48)	42,990.52	41,149.80	\$ 1,840.72
Other Retirement Contributions - Regular	50,925.00	(1,229.21)	49,695.79	49,439.33	256.46
Other Retirement Contributions - Deferred PERS Pymt	1,700.00	(1,402.94)	297.06	297.06	297.06
Unemployment Contribution	8,000.00	(6,068.11)	1,931.89	7,984.80	(6,052.91)
Workers Compensation	30,000.00	539.08	30,539.08	30,539.08	-
Tuition Reimbursements	10,000.00	(7,048.01)	2,951.99	2,890.00	61.99
Other Employee Benefits	<u>15,000.00</u>	<u>7,900.00</u>	<u>22,900.00</u>	<u>26,153.00</u>	<u>(3,253.00)</u>
Total Unallocated Benefits - Employee Benefits	<u>166,025.00</u>	<u>(14,718.67)</u>	<u>151,306.33</u>	<u>158,156.01</u>	<u>(6,849.68)</u>
Reimbursed TPAF Social Security Contributions (non-budgeted)					
On-Behalf TPAF Post Retirement Medical (non-budgeted)				80,068.97	(80,068.97)
On-Behalf TPAF Teacher's Pension and Annuity Fund (non-budgeted)				88,074.00	(88,074.00)
On-Behalf TPAF Non-Contributory Insurance (non-budgeted)				133,133.00	(133,133.00)
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)				3,231.00	(3,231.00)
On-Behalf TPAF Long-Term Disability Insurance (non-budgeted)				<u>106.00</u>	<u>(106.00)</u>
Total TPAF Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,612.97</u>	<u>(304,612.97)</u>
Total Undistributed Expenses	<u>1,647,707.00</u>	<u>(102,921.40)</u>	<u>1,544,785.60</u>	<u>1,872,985.16</u>	<u>(328,199.56)</u>
Total Expenditures - Current Expense	<u>2,744,948.00</u>	<u>23,248.02</u>	<u>2,768,196.02</u>	<u>3,088,709.15</u>	<u>(320,513.13)</u>
CAPITAL OUTLAY:					
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures - Student Transportation				<u>185,305.12</u>	<u>(185,305.12)</u>
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,305.12</u>	<u>(185,305.12)</u>

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Total Expenditures	\$ 2,744,948.00	\$ 23,248.02	\$ 2,768,196.02	\$ 3,274,014.27	\$ (505,818.25)
Calculation of Deficiency of Revenues Under Expenditures: Excess (Deficiency) of Revenues Over (Under) Expenditures	51,045.00	(26,379.02)	24,665.98	(157,787.18)	(182,453.16)
Other Financing Sources (Uses):					
Assets Acquired Under Capital Lease				185,305.12	185,305.12
Transfer to Enterprise Fund - Board Contribution	(51,045.00)	23,248.02	(27,796.98)	(27,796.98)	
Total - Other Financing Sources (Uses)	(51,045.00)	23,248.02	(27,796.98)	157,508.14	185,305.12
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(3,131.00)	(3,131.00)	(279.04)	2,851.96
Fund Balances, July 1				13,962.84	13,962.84
Fund Balances, June 30	\$ -	\$ (3,131.00)	\$ (3,131.00)	\$ 13,683.80	\$ 16,814.80
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1.00	
Assigned Fund Balance:					
Year-End Encumbrances				315.00	
Unassigned Fund Balance				13,367.80	
				13,683.80	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(90,887.00)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				\$ (77,203.20)	

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Federal Sources:					
Title I	\$ 8,787.00	\$ (8,753.00)	\$ 34.00	\$ 34.00	
Title II Part A	5,852.00	(3,432.00)	2,420.00	2,420.00	
Title IV Part A		10,000.00	10,000.00	10,000.00	
Title VI Part B (R.E.A.P.)		6,348.47	6,348.47		\$ (6,348.47)
I.D.E.A. Part B Basic	33,793.00	4,248.00	38,041.00	38,041.00	
I.D.E.A. Part B Preschool Incentive		3,630.00	3,630.00	3,630.00	
	<u>48,432.00</u>	<u>12,041.47</u>	<u>60,473.47</u>	<u>54,125.00</u>	<u>(6,348.47)</u>
Total - Federal Sources					
	<u>48,432.00</u>	<u>12,041.47</u>	<u>60,473.47</u>	<u>54,125.00</u>	<u>(6,348.47)</u>
Total Revenues	<u>\$ 48,432.00</u>	<u>\$ 12,041.47</u>	<u>\$ 60,473.47</u>	<u>\$ 54,125.00</u>	<u>\$ (6,348.47)</u>
EXPENDITURES:					
Instruction:					
Other Purchased Services	\$ 33,793.00	\$ 4,248.00	\$ 38,041.00	\$ 38,041.00	
Supplies and Materials		9,000.00	9,000.00	9,000.00	
	<u>33,793.00</u>	<u>13,248.00</u>	<u>47,041.00</u>	<u>47,041.00</u>	<u>-</u>
Total Instruction					
	<u>33,793.00</u>	<u>13,248.00</u>	<u>47,041.00</u>	<u>47,041.00</u>	<u>-</u>
Support Services:					
Salaries	12,584.46	(12,550.46)	34.00	34.00	
Personal Services - Employee Benefits	2,054.54	(2,054.54)			
Purchased Professional and Technical Services		3,630.00	3,630.00	3,630.00	
Other Purchased Services		2,420.00	2,420.00	2,420.00	
Supplies and Materials		7,348.47	7,348.47	1,000.00	\$ 6,348.47
	<u>14,639.00</u>	<u>(1,206.53)</u>	<u>13,432.47</u>	<u>7,084.00</u>	<u>6,348.47</u>
Total Support Services					
	<u>14,639.00</u>	<u>(1,206.53)</u>	<u>13,432.47</u>	<u>7,084.00</u>	<u>6,348.47</u>
Total Expenditures	<u>\$ 48,432.00</u>	<u>\$ 12,041.47</u>	<u>\$ 60,473.47</u>	<u>\$ 54,125.00</u>	<u>\$ 6,348.47</u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 3,116,227.09	\$ 54,125.00
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	91,192.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(90,887.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 3,116,532.09</u>	<u>\$ 54,125.00</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 3,274,014.27	\$ 54,125.00
Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 3,274,014.27</u>	<u>\$ 54,125.00</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0049014824%	0.0053683889%	0.0053479469%	0.0061083068%	0.0048886528%
School District's Proportionate Share of the Net Pension Liability	\$ 1,140,987.00	\$ 1,589,963.00	\$ 1,200,507.00	\$ 1,143,642.00	\$ 934,319.00
School District's Covered Payroll (Plan Measurement Period)	\$ 361,024.00	\$ 400,280.00	\$ 375,500.00	\$ 350,852.00	\$ 365,024.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	316.04%	397.21%	319.71%	325.96%	255.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Five Fiscal Years

	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 35,891.00	\$ 45,407.00	\$ 47,692.00	\$ 45,978.00	\$ 50,356.00
Contributions in Relation to the Contractually Required Contribution	<u>(35,891.00)</u>	<u>(45,407.00)</u>	<u>(47,692.00)</u>	<u>(45,978.00)</u>	<u>(50,356.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 214,675.00	\$ 245,440.00	\$ 329,508.00	\$ 364,001.00	\$ 350,219.00
Contributions as a Percentage of School District's Covered Payroll	16.72%	18.50%	14.47%	12.63%	14.38%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>6,035,364.00</u>	<u>6,632,406.00</u>	<u>4,897,473.00</u>	<u>4,891,615.00</u>	<u>4,222,756.00</u>
	<u>\$ 6,035,364.00</u>	<u>\$ 6,632,406.00</u>	<u>\$ 4,897,473.00</u>	<u>\$ 4,891,615.00</u>	<u>\$ 4,222,756.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 1,063,152.00	\$ 1,072,088.00	\$ 1,033,244.00	\$ 900,224.00	\$ 1,060,068.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	567.69%	618.64%	473.99%	543.38%	398.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

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

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2018

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 4.25% and the long-term expected rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65% from 7.90%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Plan Year

	Measurement Date Ending June 30,
	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District	
Changes for the Year:	
Service Cost	\$ 310,030.00
Interest Cost	255,250.00
Changes in Assumptions	(995,742.00)
Gross Benefit Payments	(188,178.00)
Member Contributions	6,929.00
	(611,711.00)
Net Change in Total Non-Employer OPEB Liability	(611,711.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	8,736,092.00
Total Non-Employer OPEB Liability - End of Fiscal Year	\$ 8,124,381.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,252,736.00
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	648.53%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2018

Changes of Benefit Terms - None

Changes of Assumptions - The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Total</u>	<u>E.S.E.A.</u>		<u>I.D.E.A. Part B</u>		
		<u>Title I</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>Basic</u>	<u>Preschool</u>
REVENUES:						
Federal Sources	\$ 54,125.00	\$ 34.00	\$ 2,420.00	\$ 10,000.00	\$ 38,041.00	\$ 3,630.00
Total Revenues	<u>\$ 54,125.00</u>	<u>\$ 34.00</u>	<u>\$ 2,420.00</u>	<u>\$ 10,000.00</u>	<u>\$ 38,041.00</u>	<u>\$ 3,630.00</u>
EXPENDITURES:						
Instruction:						
Other Purchased Services	\$ 38,041.00				\$ 38,041.00	
Supplies and Materials	9,000.00			\$ 9,000.00		
Total Instruction	<u>47,041.00</u>	<u>-</u>	<u>-</u>	<u>9,000.00</u>	<u>38,041.00</u>	<u>-</u>
Support Services:						
Salaries	34.00	\$ 34.00				
Purchased Professional and Technical Services	3,630.00					\$ 3,630.00
Other Purchased Services	2,420.00		\$ 2,420.00			
Supplies and Materials	1,000.00			1,000.00		
Total Support Services	<u>7,084.00</u>	<u>34.00</u>	<u>2,420.00</u>	<u>1,000.00</u>	<u>-</u>	<u>3,630.00</u>
Total Expenditures	<u>\$ 54,125.00</u>	<u>\$ 34.00</u>	<u>\$ 2,420.00</u>	<u>\$ 10,000.00</u>	<u>\$ 38,041.00</u>	<u>\$ 3,630.00</u>

PROPRIETARY FUNDS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Net Position
June 30, 2018

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 501.37
Accounts Receivable:	
State	40.75
Federal	1,269.81
Other	25.25
Inventories	<u>1,110.21</u>
Total Current Assets	<u>2,947.39</u>
Noncurrent Assets:	
Furniture, Fixtures and Equipment	38,044.43
Less: Accumulated Depreciation	<u>(30,434.03)</u>
Total Noncurrent Assets	<u>7,610.40</u>
Total Assets	<u>10,557.79</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	522.05
Unearned Revenue	1,078.20
Interfund Accounts Payable:	
Due General Fund	<u>10,471.12</u>
Total Liabilities	<u>12,071.37</u>
NET POSITION:	
Net Investment in Capital Assets	7,610.40
Unrestricted (Deficit)	<u>(9,123.98)</u>
Total Net Position (Deficit)	<u>\$ (1,513.58)</u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 15,489.80
School Breakfast Program	25.85
Daily Sales - Non-Reimbursable Programs	11,035.55
Miscellaneous	16.28
	26,567.48
Total Operating Revenues	26,567.48
OPERATING EXPENSES:	
Salaries	40,782.81
Benefits	7,389.40
General Supplies	1,050.18
Purchased Services	356.00
Depreciation	1,027.84
Cost of Sales - Reimbursable Programs	26,336.73
Cost of Sales - Non-Reimbursable Programs	4,921.44
Miscellaneous	238.26
	82,102.66
Total Operating Expenses	82,102.66
Operating Income (Loss)	(55,535.18)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	486.83
Federal Sources:	
National School Lunch Program	14,083.05
National School Breakfast Program	1,260.62
Food Distribution Program	3,590.07
	19,420.57
Total Nonoperating Revenues (Expenses)	19,420.57
Income (Loss) before Contributions and Transfers	(36,114.61)
CONTRIBUTIONS AND TRANSFERS:	
Operating Transfers In - General Fund	27,796.98
	27,796.98
Total Contributions and Transfers	27,796.98
Change in Net Position	(8,317.63)
Net Position -- July 1	6,804.05
Net Position -- June 30 (Deficit)	\$ (1,513.58)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 26,487.67
Payments for Supplies and Services	<u>(3,257.53)</u>
Net Cash Provided by (Used for) Operating Activities	<u>23,230.14</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Federal Sources	3,257.53
Operating Subsidies and Transfers to Other Funds	<u>(26,970.00)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(23,712.47)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(482.33)
Cash and Cash Equivalents -- July 1	<u>983.70</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 501.37</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (55,535.18)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	1,027.84
(Increase) Decrease in Inventories	571.18
Increase (Decrease) in Unearned Revenue	(68.91)
(Increase) Decrease in Accounts Receivable	(17.65)
Increase (Decrease) in Accounts Payable	522.05
Increase (Decrease) in Interfund Payable	<u>76,730.81</u>
Total Adjustments	<u>78,765.32</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 23,230.14</u></u>

FIDUCIARY FUNDS

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2018

	Agency Funds		
	Student Activity	Payroll	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,136.59	\$ 14,658.90	\$ 15,795.49
Total Assets	\$ 1,136.59	\$ 14,658.90	\$ 15,795.49
LIABILITIES:			
Interfund Accounts Payable:			
Due General Fund	\$ 101.00	\$ 4,029.30	\$ 4,130.30
Payable to Student Groups	1,035.59		1,035.59
Payroll Deductions and Withholdings		10,629.60	10,629.60
Total Liabilities	\$ 1,136.59	\$ 14,658.90	\$ 15,795.49

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Cash Receipts</u>	<u>Balance June 30, 2018</u>
SCHOOLS:			
Elementary	\$ 966.13	\$ 69.46	\$ 1,035.59
Interfund Accounts Payable:			
Due General Fund	<u>101.00</u>	<u> </u>	<u>101.00</u>
Total All Schools	<u><u>\$ 1,067.13</u></u>	<u><u>\$ 69.46</u></u>	<u><u>\$ 1,136.59</u></u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 3,615.57	\$ 1,686,515.50	\$ 1,675,472.17	\$ 14,658.90
Total Assets	<u>\$ 3,615.57</u>	<u>\$ 1,686,515.50</u>	<u>\$ 1,675,472.17</u>	<u>\$ 14,658.90</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 2,586.27	\$ 587,717.27	\$ 579,673.94	\$ 10,629.60
Net Payroll		1,095,798.23	1,095,798.23	
Interfund Accounts Payable: Due General Fund	<u>1,029.30</u>	<u>3,000.00</u>		<u>4,029.30</u>
Total Liabilities	<u>\$ 3,615.57</u>	<u>\$ 1,686,515.50</u>	<u>\$ 1,675,472.17</u>	<u>\$ 14,658.90</u>

LONG-TERM DEBT

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2018

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2017(a)</u>	<u>Increased</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2018(a)</u>
			<u>Principal</u>	<u>Interest</u>					
One 15 Passenger Wheelchair Equipped Bus	02-26-16	5 Years	\$ 58,132.40	\$ 4,148.10	3.57%	\$ 34,850.85		\$ 11,211.92	\$ 23,638.93
Two 54 Passenger School Buses	09-05-17	5 Years	185,305.12	15,446.88	3.10%		\$ 185,305.12	28,215.86	157,089.26
						<u>\$ 34,850.85</u>	<u>\$ 185,305.12</u>	<u>\$ 39,427.78</u>	<u>\$ 180,728.19</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013 (1)	2012	2011	2010	2009
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,096,938.25	\$ 1,193,352.78	\$ 1,049,550.46	\$ 1,112,413.47	\$ 713,560.19	\$ 785,357.99	\$ 857,155.79	\$ 928,953.59	\$ 995,255.62	\$ 732,062.01
Restricted	1.00	1.00	1.00	135,001.00	135,001.00	134,500.00	124,468.00	141,569.00	93,779.92	46,001.00
Unrestricted (Deficit)	<u>(1,377,525.96)</u>	<u>(1,332,418.54)</u>	<u>(1,121,564.11)</u>	<u>(1,173,026.39)</u>	<u>11,601.20</u>	<u>40,323.57</u>	<u>95,990.70</u>	<u>122,427.86</u>	<u>123,446.95</u>	<u>108,526.72</u>
Total Governmental Activities Net Position	<u>\$ (280,586.71)</u>	<u>\$ (139,064.76)</u>	<u>\$ (72,012.65)</u>	<u>\$ 74,388.08</u>	<u>\$ 860,162.39</u>	<u>\$ 960,181.56</u>	<u>\$ 1,077,614.49</u>	<u>\$ 1,192,950.45</u>	<u>\$ 1,212,482.49</u>	<u>\$ 886,589.73</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 7,610.40	\$ 8,638.24	\$ 6,274.51	\$ 7,432.41	\$ 8,654.32	\$ 9,940.24	\$ 11,226.16	\$ 10,160.62	\$ 10,321.77	\$ 7,646.76
Unrestricted (Deficit)	<u>(9,123.98)</u>	<u>(1,834.19)</u>	<u>(5,829.81)</u>	<u>(5,082.97)</u>	<u>(3,347.70)</u>	<u>(2,995.21)</u>	<u>(5,863.24)</u>	<u>(2,784.35)</u>	<u>(1,383.43)</u>	<u>6,021.05</u>
Total Business-type Activities Net Position	<u>\$ (1,513.58)</u>	<u>\$ 6,804.05</u>	<u>\$ 444.70</u>	<u>\$ 2,349.44</u>	<u>\$ 5,306.62</u>	<u>\$ 6,945.03</u>	<u>\$ 5,362.92</u>	<u>\$ 7,376.27</u>	<u>\$ 8,938.34</u>	<u>\$ 13,667.81</u>
Government-wide:										
Net Investment in Capital Assets	\$ 1,104,548.65	\$ 1,201,991.02	\$ 1,055,824.97	\$ 1,119,845.88	\$ 722,214.51	\$ 795,298.23	\$ 868,381.95	\$ 939,114.21	\$ 1,005,577.39	\$ 739,708.77
Restricted	1.00	1.00	1.00	135,001.00	135,001.00	134,500.00	124,468.00	141,569.00	93,779.92	46,001.00
Unrestricted (Deficit)	<u>(1,386,649.94)</u>	<u>(1,334,252.73)</u>	<u>(1,127,393.92)</u>	<u>(1,178,109.36)</u>	<u>8,253.50</u>	<u>37,328.36</u>	<u>90,127.46</u>	<u>119,643.51</u>	<u>122,063.52</u>	<u>114,547.77</u>
Total Government-wide Net Position	<u>\$ (282,100.29)</u>	<u>\$ (132,260.71)</u>	<u>\$ (71,567.95)</u>	<u>\$ 76,737.52</u>	<u>\$ 865,469.01</u>	<u>\$ 967,126.59</u>	<u>\$ 1,082,977.41</u>	<u>\$ 1,200,326.72</u>	<u>\$ 1,221,420.83</u>	<u>\$ 900,257.54</u>

Source: Exhibit A-1

(1) In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resource in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoptior

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,014,334.48	\$ 1,050,153.59	\$ 1,107,041.42	\$ 1,184,556.01	\$ 1,134,665.93	\$ 1,140,581.92	\$ 1,047,382.95	\$ 1,073,118.71	\$ 942,961.39	\$ 1,095,267.90
Special Education	466,545.05	357,610.03	300,296.92	309,598.69	226,625.44	196,832.20	189,901.99	179,115.40	194,281.07	177,015.00
Other Instruction	91,310.88	56,093.31	71,941.20	47,284.35	52,995.56	47,162.75	71,223.70	56,464.50	71,350.80	56,340.79
Support Services:										
Tuition	199,987.59	217,928.80	159,928.90	107,067.91	30,856.50	49,009.60	92,381.54	97,258.56	19,417.00	58,319.16
Student and Instruction Related Services	255,135.29	343,744.02	307,887.79	292,788.78	261,090.80	250,115.57	204,329.62	219,656.58	216,255.83	225,471.68
School Administrative Services	20,353.71	9,395.37	6,221.22	22,322.01	13,310.36	12,903.30	82,192.80	18,547.04	17,192.06	14,910.44
General and Business Administrative Services	301,750.17	323,627.97	278,851.03	259,440.16	241,467.22	272,341.64	191,447.54	242,739.95	231,150.43	249,124.30
Plant Operations and Maintenance	249,858.19	245,588.26	305,568.53	315,951.30	313,026.10	313,638.09	269,754.61	294,772.24	310,516.12	268,727.65
Pupil Transportation	192,261.11	222,964.78	177,458.83	185,621.93	170,578.44	128,971.45	173,358.90	132,731.18	147,982.99	151,925.29
Unallocated Benefits	1,146,805.59	987,472.08	657,640.97	604,642.26	311,123.62	278,484.76	288,766.33	227,352.09	252,103.24	215,928.49
Total Governmental Activities Expenses	<u>3,938,342.06</u>	<u>3,814,578.21</u>	<u>3,372,836.81</u>	<u>3,329,273.40</u>	<u>2,755,739.97</u>	<u>2,690,041.28</u>	<u>2,610,739.98</u>	<u>2,541,756.25</u>	<u>2,403,210.93</u>	<u>2,513,030.70</u>
Business-type Activities:										
Food Service	82,102.66	66,422.98	89,100.87	95,883.68	80,646.40	77,785.55	81,104.13	78,595.72	78,375.08	71,278.59
Total Business-type Activities Expense	<u>82,102.66</u>	<u>66,422.98</u>	<u>89,100.87</u>	<u>95,883.68</u>	<u>80,646.40</u>	<u>77,785.55</u>	<u>81,104.13</u>	<u>78,595.72</u>	<u>78,375.08</u>	<u>71,278.59</u>
Total Government Expenses	<u>\$ 4,020,444.72</u>	<u>\$ 3,881,001.19</u>	<u>\$ 3,461,937.68</u>	<u>\$ 3,425,157.08</u>	<u>\$ 2,836,386.37</u>	<u>\$ 2,767,826.83</u>	<u>\$ 2,691,844.11</u>	<u>\$ 2,620,351.97</u>	<u>\$ 2,481,586.01</u>	<u>\$ 2,584,309.29</u>
Program Revenues:										
Governmental Activities:										
Charges for Services			\$ 13,336.00							
Operating Grants and Contributions	\$ 1,012,697.97	\$ 741,837.02	531,036.57	\$ 495,836.63	\$ 275,312.30	\$ 273,171.26	\$ 230,272.51	\$ 225,086.84	\$ 213,998.32	\$ 223,805.02
Total Governmental Activities Program Revenues	<u>1,012,697.97</u>	<u>741,837.02</u>	<u>544,372.57</u>	<u>495,836.63</u>	<u>275,312.30</u>	<u>273,171.26</u>	<u>230,272.51</u>	<u>225,086.84</u>	<u>213,998.32</u>	<u>223,805.02</u>
Business-type activities:										
Charges for services										
Food service	26,567.48	17,461.40	19,598.20	23,374.70	24,599.73	29,059.11	30,351.40	30,903.45	30,152.60	31,036.45
Capital Grants and Contributions		4,838.07								
Operating Grants and Contributions	19,420.57	17,647.83	19,814.72	22,848.41	19,772.14	20,689.59	18,620.98	15,799.25	16,786.31	15,694.19
Total Business-type Activities Program Revenues	<u>45,988.05</u>	<u>39,947.30</u>	<u>39,412.92</u>	<u>46,223.11</u>	<u>44,371.87</u>	<u>49,748.70</u>	<u>48,972.38</u>	<u>46,702.70</u>	<u>46,938.91</u>	<u>46,730.64</u>
Total Government Program Revenues	<u>\$ 1,058,686.02</u>	<u>\$ 781,784.32</u>	<u>\$ 583,785.49</u>	<u>\$ 542,059.74</u>	<u>\$ 319,684.17</u>	<u>\$ 322,919.96</u>	<u>\$ 279,244.89</u>	<u>\$ 271,789.54</u>	<u>\$ 260,937.23</u>	<u>\$ 270,535.66</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (2,925,644.09)	\$ (3,072,741.19)	\$ (2,828,464.24)	\$ (2,833,436.77)	\$ (2,480,427.67)	\$ (2,416,870.02)	\$ (2,380,467.47)	\$ (2,316,669.41)	\$ (2,189,212.61)	\$ (2,289,225.68)
Business-type Activities	(36,114.61)	(26,475.68)	(49,687.95)	(49,660.57)	(36,274.53)	(28,036.85)	(32,131.75)	(31,893.02)	(31,436.17)	(24,547.95)
Total Government-wide Net Expense	<u>\$ (2,961,758.70)</u>	<u>\$ (3,099,216.87)</u>	<u>\$ (2,878,152.19)</u>	<u>\$ (2,883,097.34)</u>	<u>\$ (2,516,702.20)</u>	<u>\$ (2,444,906.87)</u>	<u>\$ (2,412,599.22)</u>	<u>\$ (2,348,562.43)</u>	<u>\$ (2,220,648.78)</u>	<u>\$ (2,313,773.63)</u>

(Continued)

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	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	\$ 1,882,055.00	\$ 1,845,152.00	\$ 1,777,712.00	\$ 1,645,292.00	\$ 1,508,340.00	\$ 1,436,788.00	\$ 1,368,673.00	\$ 1,458,674.00	\$ 1,423,817.00	\$ 1,401,150.00
Unrestricted Grants and Contributions	915,579.28	918,653.00	915,852.00	912,309.00	904,719.58	889,407.00	922,556.00	862,546.00	876,974.00	915,821.85
Investment Earnings			189.71	484.39	1,969.58	2,815.24	3,898.68	4,336.21	3,728.19	1,940.77
Other Miscellaneous	14,284.84	14,876.76	30,243.01			25.22	83.00	1,845.42	109.89	221.56
Donated Assets		259,842.35	5,850.00	470,599.46					261,013.00	
Cancellation of a Payable									2,298.07	
Transfers	(27,796.98)	(32,835.03)	(47,783.21)	(46,703.39)	(34,620.66)	(29,598.37)	(30,079.17)	(30,264.27)	(26,648.53)	(14,640.54)
Total Governmental Activities	2,784,122.14	3,005,689.08	2,682,063.51	2,981,981.46	2,380,408.50	2,299,437.09	2,265,131.51	2,297,137.36	2,541,291.62	2,304,493.64
Business-type Activities:										
Investment Earnings					15.46	20.59	39.23	66.68	58.17	78.99
Transfers	27,796.98	32,835.03	47,783.21	46,703.39	34,620.66	29,598.37	30,079.17	30,264.27	26,648.53	14,640.54
Total Business-type Activities	27,796.98	32,835.03	47,783.21	46,703.39	34,636.12	29,618.96	30,118.40	30,330.95	26,706.70	14,719.53
Total Government-wide	\$ 2,811,919.12	\$ 3,038,524.11	\$ 2,729,846.72	\$ 3,028,684.85	\$ 2,415,044.62	\$ 2,329,056.05	\$ 2,295,249.91	\$ 2,327,468.31	\$ 2,567,998.32	\$ 2,319,213.17
Change in Net Position:										
Governmental Activities	\$ (141,521.95)	\$ (67,052.11)	\$ (146,400.73)	\$ 148,544.69	\$ (100,019.17)	\$ (117,432.93)	\$ (115,335.96)	\$ (19,532.05)	\$ 352,079.01	\$ 15,267.96
Business-type Activities	(8,317.63)	6,359.35	(1,904.74)	(2,957.18)	(1,638.41)	1,582.11	(2,013.35)	(1,562.07)	(4,729.47)	(9,828.42)
Total Government	\$ (149,839.58)	\$ (60,692.76)	\$ (148,305.47)	\$ 145,587.51	\$ (101,657.58)	\$ (115,850.82)	\$ (117,349.31)	\$ (21,094.12)	\$ 347,349.54	\$ 5,439.54

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption

Source: Exhibit A-2

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:										
Assigned	\$ 315.00		\$ 50,000.00	\$ 135,000.00	\$ 135,000.00	\$ 100,000.47	\$ 67,833.41	\$ 25,660.08		
Unassigned (Deficit)	(77,519.20)	\$ (77,230.16)	(5,091.41)	(29,360.45)	95,199.50	141,582.52	198,946.53	226,297.59		
Restricted	1.00	1.00	1.00	1.00	1.00	34,499.53	56,634.59	115,908.92		
Reserved									\$ 83,470.17	\$ 1.00
Unreserved									260,309.75	274,943.25
Total General Fund	<u>\$ (77,203.20)</u>	<u>\$ (77,229.16)</u>	<u>\$ 44,909.59</u>	<u>\$ 105,640.55</u>	<u>\$ 230,200.50</u>	<u>\$ 276,082.52</u>	<u>\$ 323,414.53</u>	<u>\$ 367,866.59</u>	<u>\$ 343,779.92</u>	<u>\$ 274,944.25</u>

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES:										
Tax Levy	\$ 1,882,055.00	\$ 1,845,152.00	\$ 1,777,712.00	\$ 1,645,292.00	\$ 1,508,340.00	\$ 1,436,788.00	\$ 1,368,673.00	\$ 1,458,674.00	\$ 1,423,817.00	\$ 1,401,150.00
Other Local Revenue	14,284.84	14,876.76	43,768.72	484.39	1,969.58	2,840.46	3,981.68	6,181.63	3,838.08	2,162.33
State Sources	1,219,837.47	1,181,945.49	1,137,929.57	1,093,157.63	1,081,016.38	1,080,361.76	1,055,059.51	999,983.84	874,716.26	1,060,403.72
Federal Sources	54,479.78	80,897.53		93,665.00	99,015.50	82,216.50	97,769.00	87,649.00	216,256.06	79,223.15
Total Revenue	3,170,657.09	3,122,871.78	2,959,410.29	2,832,599.02	2,690,341.46	2,602,206.72	2,525,483.19	2,552,488.47	2,518,627.40	2,542,939.20
EXPENDITURES:										
Instruction:										
Regular Instruction	917,314.14	976,371.98	1,053,874.14	1,096,734.21	1,088,890.93	1,090,365.32	991,525.39	1,008,195.58	934,832.41	995,659.88
Special Education Instruction	469,184.22	352,463.42	290,301.53	300,432.59	226,625.44	196,832.20	189,901.99	186,399.00	201,564.67	184,298.60
Other Instruction	87,330.70	56,093.31	71,941.20	47,284.35	52,995.56	47,162.75	71,223.70	56,464.50	71,350.80	56,340.79
Support Services:										
Tuition	199,987.59	217,928.80	159,928.90	107,067.91	30,856.50	49,009.60	92,381.54	97,258.56	19,417.00	58,319.16
Student and Instruction Related Services	254,287.52	322,622.18	238,123.60	287,048.47	258,759.52	250,115.57	204,329.62	219,656.58	222,923.46	225,471.68
School Administrative Services	12,713.84	9,729.71	5,484.96	14,482.16	12,144.72	9,697.48	81,701.92	11,718.80	17,192.06	17,013.86
Other Administrative Services	293,799.28	319,966.82	265,419.37	242,141.41	240,777.58	251,214.64	182,370.88	259,849.55	226,024.97	239,208.23
Plant Operations and Maintenance	231,656.82	253,515.15	303,213.87	306,736.70	309,281.30	306,801.37	266,619.97	291,637.60	292,551.03	266,902.88
Pupil Transportation	213,791.06	221,691.87	187,565.22	180,233.26	169,421.42	138,804.20	171,034.74	139,605.27	167,007.26	158,178.67
Unallocated Benefits	462,768.98	476,954.19	384,862.75	328,294.52	311,849.85	279,937.23	288,766.33	227,352.09	231,969.29	205,034.99
Capital Outlay	185,305.12	4,838.07	69,774.90						40,608.32	
Total Expenditures	3,328,139.27	3,212,175.50	3,030,490.44	2,910,455.58	2,701,602.82	2,619,940.36	2,539,856.08	2,498,137.53	2,425,441.27	2,406,428.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,482.18)	(89,303.72)	(71,080.15)	(77,856.56)	(11,261.36)	(17,733.64)	(14,372.89)	54,350.94	93,186.13	136,510.46
OTHER FINANCING SOURCES (USES):										
Capital Leases (Non-budgeted)	185,305.12		58,132.40							
Cancellation of Payable								2,298.07		
Transfers Out	(27,796.98)	(32,835.03)	(47,783.21)	(46,703.39)	(34,620.66)	(29,598.37)	(30,079.17)	(30,264.27)	(26,648.53)	(14,640.54)
Total Other Financing Sources (Uses)	157,508.14	(32,835.03)	10,349.19	(46,703.39)	(34,620.66)	(29,598.37)	(30,079.17)	(30,264.27)	(24,350.46)	(14,640.54)
Net Change in Fund Balances	\$ 25.96	\$ (122,138.75)	\$ (60,730.96)	\$ (124,559.95)	\$ (45,882.02)	\$ (47,332.01)	\$ (44,452.06)	\$ 24,086.67	\$ 68,835.67	\$ 121,869.92
Debt Service as a Percentage of Noncapital Expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Exhibit B-2

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Interest Earned on Deposits		\$ 58.23	\$ 220.16	\$ 349.39	\$ 1,969.56	\$ 2,815.24	\$ 3,898.68	\$ 4,336.21	\$ 3,728.19	\$ 1,940.77
Prior Year Checks Canceled			30,022.85							
Donations	\$ 2,500.00									
Field Reimbursements	6,425.90									
Adjustments		516.02								
Book Fair Revenue	1,047.44									
Miscellaneous	4,311.50	14,302.51	189.71	135.00	0.02	25.22	83.00	1,845.38	109.89	221.56
Total Miscellaneous Revenues	<u>\$ 14,284.84</u>	<u>\$ 14,876.76</u>	<u>\$ 30,432.72</u>	<u>\$ 484.39</u>	<u>\$ 1,969.58</u>	<u>\$ 2,840.46</u>	<u>\$ 3,981.68</u>	<u>\$ 6,181.59</u>	<u>\$ 3,838.08</u>	<u>\$ 2,162.33</u>

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
Unaudited

<u>Year Ended Dec. 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Assessed Value</u>	<u>Public Utilities (2)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (1)</u>
2018	\$ 7,861,800.00	\$ 120,853,500.00	\$ 13,411,500.00	\$ 5,814,600.00	\$ 9,322,000.00	\$ 157,263,400.00	\$ 100.00	\$ 157,263,500.00	\$ 66,579,100.00	\$ 149,008,438.00	\$ 1.217
2017	7,679,500.00	122,161,500.00	13,397,500.00	5,814,600.00	9,322,000.00	158,375,100.00	100.00	158,375,200.00	66,569,800.00	150,346,592.00	1.177
2016	7,720,800.00	122,904,100.00	13,547,600.00	5,991,600.00	9,322,000.00	159,486,100.00	100.00	159,486,200.00	66,156,500.00	141,388,487.00	1.135
2015	7,637,600.00	124,453,700.00	15,030,300.00	5,991,600.00	9,322,000.00	162,435,200.00	100.00	162,435,300.00	65,785,200.00	140,320,763.00	1.053
2014	7,964,300.00	124,579,100.00	18,464,400.00	5,991,600.00	9,322,000.00	166,321,400.00	384,423.00	166,705,823.00	65,755,900.00	135,572,101.00	0.946
2013	8,168,500.00	125,492,500.00	18,620,600.00	5,991,600.00	9,322,000.00	167,595,200.00	541,723.00	168,136,923.00	65,746,600.00	143,969,365.00	0.876
2012	8,640,600.00	127,411,300.00	18,656,900.00	6,041,600.00	9,322,000.00	170,072,400.00	614,180.00	170,686,580.00	65,296,100.00	160,216,574.00	0.821
2011	8,790,400.00	128,184,800.00	19,061,760.00	6,041,600.00	9,322,000.00	171,400,560.00	628,646.00	172,029,206.00	65,296,100.00	158,937,097.00	0.822
2010	9,356,060.00	129,084,800.00	18,282,400.00	5,692,000.00	9,322,000.00	171,737,260.00	799,641.00	172,536,901.00	65,181,300.00	166,649,240.00	0.835
2009	9,293,360.00	128,114,100.00	18,321,200.00	5,692,000.00	9,322,000.00	170,742,660.00	757,305.00	171,499,965.00	64,978,700.00	175,699,176.00	0.765

Source: Burlington County Board of Taxation

(1) Tax Rates are per \$100 of Assessed Valuation.

(2) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Regional High School District	Township of Woodland	Burlington County	
2018	\$ 1.217	\$ -	\$ 1.217	\$ 0.598	\$ 0.078	\$ 0.378	\$ 2.271
2017	1.177	-	1.177	0.548	0.078	0.385	2.188
2016	1.135	-	1.135	0.518	0.078	0.361	2.092
2015	1.053	-	1.053	0.471	0.078	0.359	1.961
2014	0.946	-	0.946	0.375	0.077	0.309	1.707
2013	0.876	-	0.876	0.362	0.078	0.322	1.638
2012	0.821	-	0.821	0.434	0.078	0.357	1.690
2011	0.822	-	0.822	0.456	0.079	0.351	1.708
2010	0.835	-	0.835	0.462	0.059	0.368	1.724
2009	0.765	-	0.765	0.445		0.331	1.541

Source: Municipal Tax Collector

(1) Revaluation

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Ward Sand and Material Company	\$ 6,330,000.00	1	4.03%	\$ 6,330,000.00	2	3.69%
Woodland Sand Company	2,234,900.00	2	1.42%	1,057,500.00	4	0.62%
Ocean Spray Cranberries	2,041,400.00	3	1.30%	6,900,000.00	1	4.02%
Shore Stone Company	1,750,000.00	4	1.11%	1,750,000.00	3	1.02%
Homeowner	1,146,000.00	5	0.73%			
Wells Fargo Bank NA	864,200.00	6	0.55%			
Air Time Inc.	854,200.00	7	0.54%	672,100.00	6	0.39%
Homeowner	721,600.00	8	0.46%			
Homeowner	716,100.00	9	0.46%			
Homeowner	591,400.00	10	0.38%	595,200.00	7	0.35%
Verizon NJ				757,305.00	5	0.44%
Homeowner				580,000.00	8	0.34%
Homeowner				572,400.00	9	0.33%
Homeowner				555,800.00	10	0.32%
Total	\$ 17,249,800.00		10.97%	\$ 19,770,305.00		11.53%

Source: Municipal Tax Assessor

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2018	\$ 1,882,055.00	\$ 1,882,055.00	100.00%	\$ -
2017	1,845,152.00	1,845,152.00	100.00%	
2016	1,777,712.00	1,777,712.00	100.00%	
2015	1,645,292.00	1,645,292.00	100.00%	
2014	1,508,340.00	1,508,340.00	100.00%	
2013	1,436,788.00	1,436,788.00	100.00%	
2012	1,368,673.00	1,368,673.00	100.00%	
2011	1,458,674.00	1,458,674.00	100.00%	
2010	1,423,817.00	1,423,817.00	100.00%	
2009	1,401,150.00	1,401,150.00	100.00%	

Source: District Records

(1) 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.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	Governmental Activities		Business-Type Activities		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Capital Leases</u>	<u>Capital Leases</u>				
2018	\$ -	\$ 180,728.19	\$ -		\$ 180,728.19	Unavailable	Unavailable
2017		34,850.85			34,850.85	Unavailable	\$ 19.63
2016		45,676.30			45,676.30	0.05%	25.69
2015							
2014							
2013							
2012							
2011							
2010		9,120.75			9,120.75	0.01%	5.12
2009		24,993.03			24,993.03	0.04%	18.50

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2018	\$ -	\$ -	\$ -	-	\$ -
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2017
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Woodland Township</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Lenape Regional High School District	\$ 459,318.75	\$ 459,318.75			
Woodland Township	<u>106,200.00</u>		<u>\$ 106,200.00</u>	<u>\$ 106,200.00</u>	
	<u>565,518.75</u>	<u>459,318.75</u>	<u>106,200.00</u>	<u>106,200.00</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Burlington: (2)					
General:					
Bonds	201,099,000.00	30,655,986.00 (3)	170,443,014.00	552,438.36 (5)	
Notes	66,300,000.00		66,300,000.00	214,890.96 (5)	\$ 55,726,226.00
Loans	4,930,439.00		4,930,439.00	15,980.49 (5)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	323,415,000.00	323,415,000.00 (4)			
Solid Waste Utility	<u>55,355,000.00</u>	<u>55,355,000.00</u>			<u>3,570,310.00</u>
	<u>651,099,439.00</u>	<u>409,425,986.00</u>	<u>241,673,453.00</u>	<u>783,309.82</u>	<u>59,296,536.00</u>
	<u>\$ 651,664,957.75</u>	<u>\$ 409,885,304.75</u>	<u>\$ 241,779,653.00</u>	<u>\$ 889,509.82</u>	<u>\$ 59,296,536.00</u>

Sources:

- (1) 2017 Annual Debt Statement
- (2) County's 2017 Audit Report
- (3) Includes Cash on Hand, Accounts Receivable and County College Bonds Paid with State Aid.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2017 Equalized Value, which is 0.32%.
The source for this computation was the 2017 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized Valuation Basis (1)
	2017 \$ 150,061,683.00
	2016 151,401,272.00
	2015 <u>144,002,837.00</u>
	[A] \$ 445,465,792.00
Average equalized valuation of taxable property	[A/3] \$ 148,488,597.33
Debt limit (3% of average equalization value) (2)	[B] \$ 4,454,657.92
Total Net Debt Applicable to Limit	[C] _____
Legal Debt Margin	[B-C] \$ 4,454,657.92

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 4,454,657.92	\$ 4,390,818.91	\$ 4,239,036.54	\$ 4,254,484.42	\$ 4,427,101.53	\$ 4,651,065.51	\$ 4,844,480.21	\$ 4,967,737.28	\$ 5,103,081.49	\$ 5,090,290.71
Total Net Debt Applicable to Limit (3)	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Legal Debt Margin	<u>\$ 4,454,657.92</u>	<u>\$ 4,390,818.91</u>	<u>\$ 4,239,036.54</u>	<u>\$ 4,254,484.42</u>	<u>\$ 4,427,101.53</u>	<u>\$ 4,651,065.51</u>	<u>\$ 4,844,480.21</u>	<u>\$ 4,967,737.28</u>	<u>\$ 5,103,081.49</u>	<u>\$ 5,090,290.71</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
 (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2017	1,775	Unavailable	Unavailable	4.2%
2016	1,778	\$ 101,011,736.00	\$ 56,812.00	5.2%
2015	1,782	98,635,482.00	55,351.00	5.9%
2014	1,786	94,377,598.00	52,843.00	6.8%
2013	1,785	91,277,760.00	51,136.00	5.5%
2012	1,790	90,822,810.00	50,739.00	11.1%
2011	1,789	88,907,933.00	49,697.00	10.7%
2010	1,783	85,557,255.00	47,985.00	11.0%
2009	1,351	64,265,719.00	47,569.00	10.3%
2008	1,353	64,567,866.00	47,722.00	6.0%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (2) Personal income has been estimated based upon the municipal population and per capita.
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

	2018			2009		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>

THIS INFORMATION IS NOT AVAILABLE.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction:										
Regular	14	13	15	15	15	15	13	15	14	14
Special education	5	5	3	3	2	5	3	3	3	3
Other special education	0	0	0	0	0	0	0	0	0	0
Vocational	0	0	0	0	0	0	0	0	0	0
Other instruction	0	0	0	0	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0	0	0	0	0	0
Support Services:										
Tuition	0		0	0	0	0	0	0	0	0
Student & instruction related services	6	7	5	4	3	1	3	3	5	6
General administrative services	2	1	1	1	1	1	0	1	1	1
School administrative services	0		0	0	0	0	1	0	0	0
Business administrative services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	2	2	2	2	2	3	3	2	2	2
Pupil transportation	3	2	2	2	2	2	2	3	3	5
Food Service	2	2	2	2	2		0	0	0	0
Other	0	1	3	3	3	2	2	2	1	0
Total	35	33	34	33	31	29	28	30	30	32

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio Elementary School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2018	135	\$ 3,142,834.15	\$ 23,280.25	3.80%	22	6:1	131	123	-10.12%	93.81%
2017	143	3,207,337.43	22,428.93	18.18%	22	6.5	146	138	-3.95%	94.32%
2016	156	2,960,715.54	18,978.95	1.73%	20	7.8	152	144	-1.55%	94.74%
2015	156	2,910,496.82	18,657.03	2.90%	20	7.8	154	145	6.48%	94.11%
2014	149	2,701,602.82	18,131.56	8.65%	18	8.3	145	137	-4.61%	94.48%
2013	157	2,619,940.36	16,687.52	1.84%	18	9.0	152	145	5.34%	95.39%
2012	155	2,539,856.08	16,386.17	-2.92%	16	9.7	144	137	-2.83%	95.22%
2011	148	2,498,137.53	16,879.31	4.04%	16	9.3	149	141	-0.93%	94.88%
2010	147	2,384,832.95	16,223.35	4.50%	17	8.6	150	142	-3.04%	95.00%
2009	155	2,406,428.74	15,525.35	-10.77%	17	9.1	155	145	1.38%	94.00%

Sources: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>District Building</u>										
<u>Elementary</u>										
Woodland Elementary (1969)										
Square Feet	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Capacity (students)	225	225	225	225	225	225	225	225	225	225
Enrollment	135	143	156	152	145	160	155	148	147	155
Number of Schools at June 30, 2018										
Elementary School = 1										
Middle/Community School = 0										
High School = 0										
Other = 0										

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES (11-000-261-XXX)

School Facilities*	Project # (s)	Fiscal Year Ended June 30,									
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Elementary School	n/a	\$ 31,341.93	\$ 47,333.16	\$ 95,444.76	\$ 111,250.27	\$ 94,615.07	\$ 92,511.98	\$ 86,915.45	\$ 77,443.19	\$ 87,959.73	\$ 76,837.75
Total School Facilities		<u>\$ 31,341.93</u>	<u>\$ 47,333.16</u>	<u>\$ 95,444.76</u>	<u>\$ 111,250.27</u>	<u>\$ 94,615.07</u>	<u>\$ 92,511.98</u>	<u>\$ 86,915.45</u>	<u>\$ 77,443.19</u>	<u>\$ 87,959.73</u>	<u>\$ 76,837.75</u>

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

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Insurance Schedule

June 30, 2018

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
Burlington and Camden County Educators Insurance Consortium:		
School Package Policy:		
Property	\$ 450,000,000.00	\$ 1,000.00
General Liability	11,000,000.00	none
Automobile Liability	11,000,000.00	1,000.00
Workers Compensation	2,000,000.00	none
Boiler and Machinery	100,000,000.00	1,000.00
Electronic Data Processing	73,000.00	1,000.00
Professional Liability	1,000,000.00	5,000.00
Public Employees Dishonesty Coverage	250,000.00	1,000.00
Student Accident	1,000,000.00	
Bonds:		
Business Administrator/Board Secretary	250,000.00	1,000.00
Treasurer of School Funds/Superintendent	250,000.00	1,000.00

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Woodland School District
Chatsworth, New Jersey 08019

Report on Compliance for Each Major State Program

We have audited the Township of Woodland School District's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2018. The 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB, 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 Township of Woodland School District's, in the County of Burlington, State of New Jersey, 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 opinions on compliance for each major state program. However, our audit does not provide a legal determination of the School District's compliance.

Basis for Qualified Opinion on State Aid – Public

As described in the accompanying *Schedule of Findings and Questioned Costs* and in the *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, the Township of Woodland School District's, in the County of Burlington, State of New Jersey, did not comply with requirements regarding State Aid Public as described in findings no. 2018-004, 2018-005 and 2018-006 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the Township of Woodland School District's, in the County of Burlington, State of New Jersey, to comply with the requirements applicable to that program.

Qualified Opinion on State Aid - Public

In our opinion, except for the noncompliance described in the “*Basis for Qualified Opinion*” on *State Aid-Public* paragraph, the Township of Woodland School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on State Aid - Public for the fiscal year ended June 30, 2018.

Unmodified Opinion on Each of the Other Compliance Requirements on State Aid - Public

In our opinion, the Township of Woodland School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program identified in the *Summary of Auditor’s Results* section of the accompanying *Schedule of Findings and Questioned Costs* for the fiscal year ended June 30, 2018.

Other Matters

The School District’s response to the noncompliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Township of Woodland School District, in the County of Burlington, State of New Jersey, 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 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 the State of New Jersey Circular 15-08-OMB, 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 School District’s internal control over compliance.

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

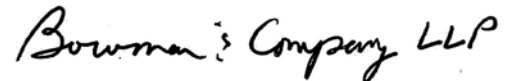
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor’s Management Report on Administrative Findings - Financial, Compliance and Performance* as items 2018-004 and, 2018-005 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor’s Management Report on Administrative Findings - Financial, Compliance and Performance* as item 2018-006 to be a significant deficiency.

The School District's response to the internal control over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
February 15, 2019

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2018

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2017
					From	To	
General Fund:							
U.S. Department of Education:							
Passed-through the State Department of Education:							
Special Education - State Personnel Development Grants	84.323	H323A160012	Unavailable	\$ 354.78	07-01-17	06-30-18	
Total General Fund							-
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through the State Department of Education:							
E.S.E.A.:							
Title I	84.010	S010A160030	NCLB460017	21,068.00	07-01-16	06-30-17	\$ (21,068.00)
Title I	84.010	S010A170030	NCLB460018	34.00	07-01-17	06-30-18	
Title II Part A	84.367A	S367A160029	NCLB460017	7,315.00	07-01-16	06-30-17	(7,315.00)
Title II Part A	84.367A	S367A180029	NCLB460018	2,420.00	07-01-17	06-30-18	
Title IV Part A	84.424	S424A180031	NCLB460018	10,000.00	07-01-17	06-30-18	
Title VI Part B (R.E.A.P.)	84.358	S358A164003	Unavailable	16,622.00	07-01-16	09-30-17	(10,273.53)
Total E.S.E.A. Cluster							(38,656.53)
Special Education Cluster:							
I.D.E.A. Part B:							
Basic	84.027	H027A160100	FT460017	38,602.00	07-01-16	06-30-17	(38,602.00)
Basic	84.027	H027A170100	FT460018	38,041.00	07-01-17	06-30-18	
Pre-School	84.173	H173A160114	PS460017	3,639.00	07-01-16	06-30-17	(3,639.00)
Pre-School	84.173	H173A170114	PS460018	3,630.00	07-01-17	06-30-18	
Total I.D.E.A. Part B Special Education Cluster							(42,241.00)
Total Special Revenue Fund							(80,897.53)
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through State Department of Education:							
Child Nutrition Cluster:							
Food Distribution Program (Non-Cash Assistance)	10.555	18181NJ304N1099	Unavailable	3,257.53	07-01-17	06-30-18	
Food Distribution Program (Non-Cash Assistance)	10.555	17171NJ304N1099	Unavailable	3,884.24	07-01-16	06-30-17	988.87
National School Lunch Program	10.555	18181NJ304N1099	Unavailable	14,083.05	07-01-17	06-30-18	
National School Lunch Program	10.555	17171NJ304N1099	Unavailable	14,098.96	07-01-16	06-30-17	(919.04)
National School Breakfast Program	10.553	18181NJ304N1099	Unavailable	1,260.62	07-01-17	06-30-18	
National School Breakfast Program	10.553	17171NJ304N1099	Unavailable	233.70	07-01-16	06-30-17	(79.63)
Total Child Nutrition Cluster							(9.80)
Total Enterprise Fund:							(9.80)
Total Federal Financial Assistance							\$ (80,907.33)

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

These funds were not audited in accordance with the Uniform Administrative Audit Requirements since the total expenditures did not exceed \$750,000.00.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2018		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 354.78	\$ 354.78		\$ 354.78					
-	354.78	354.78	-	354.78	-	-	-	-	-
	21,068.00								
	34.00	34.00		34.00					
	7,315.00								
	2,420.00	2,420.00		2,420.00					
	10,000.00	10,000.00		10,000.00					
							\$ (16,622.00)	\$ 6,348.47	
-	40,837.00	12,454.00	-	12,454.00	-	-	(16,622.00)	6,348.47	-
	38,602.00								
	38,041.00	38,041.00		38,041.00					
	3,639.00								
	3,630.00	3,630.00		3,630.00					
-	83,912.00	41,671.00	-	41,671.00	-	-	-	-	-
-	124,749.00	54,125.00	-	54,125.00	-	-	(16,622.00)	6,348.47	-
	3,257.53	2,601.20		2,601.20			656.33		
		988.87		988.87					
	12,947.00	14,083.05		14,083.05			(1,136.05)		
	919.04								
	1,126.86	1,260.62		1,260.62			(133.76)		
	79.63								
-	18,330.06	18,933.74	-	18,933.74	-	-	(613.48)	-	-
-	18,330.06	18,933.74	-	18,933.74	-	-	(613.48)	-	-
\$ -	\$ 143,433.84	\$ 73,413.52	\$ -	\$ 73,413.52	\$ -	\$ -	\$ (17,235.48)	\$ 6,348.47	\$ -

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2018

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2017	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster:						
Categorical Aid Special Education Aid	18-495-034-5120-089	\$ 88,141.00	07-01-17	06-30-18		
Categorical Aid Special Education Aid	17-495-034-5120-089	88,141.00	07-01-16	06-30-17	\$ (8,813.91)	
Equalization Aid	18-495-034-5120-078	706,424.00	07-01-17	06-30-18		
Equalization Aid	17-495-034-5120-078	706,424.00	07-01-16	06-30-17	(70,641.01)	
Categorical Aid Security Aid	18-495-034-5120-084	14,839.00	07-01-17	06-30-18		
Categorical Aid Security Aid	17-495-034-5120-084	14,839.00	07-01-16	06-30-17	(1,483.87)	
Adjustment Aid	18-495-034-5120-085	36,904.00	07-01-17	06-30-18		
Adjustment Aid	17-495-034-5120-085	40,035.00	07-01-16	06-30-17	(4,003.42)	
Per Pupil Growth Aid	18-495-034-5120-097	1,430.00	07-01-17	06-30-18		
Per Pupil Growth Aid	17-495-034-5120-097	1,430.00	07-01-16	06-30-17	(143.00)	
PARCC Readiness	18-495-034-5120-098	1,430.00	07-01-17	06-30-18		
PARCC Readiness	17-495-034-5120-098	1,430.00	07-01-16	06-30-17	(143.00)	
Professional Learning Community Aid	18-495-034-5120-101	1,520.00	07-01-17	06-30-18		
Professional Learning Community Aid	17-495-034-5120-101	1,520.00	07-01-16	06-30-17	(152.00)	
Total State Aid - Public Cluster					(85,380.21)	-
Transportation Aid:						
Categorical Transportation Aid	18-495-034-5120-014	58,119.00	07-01-17	06-30-18		
Categorical Transportation Aid	17-495-034-5120-014	58,119.00	07-01-16	06-30-17	(5,811.79)	
Total Transportation Aid					(5,811.79)	-
Extraordinary Aid						
Extraordinary Aid	18-495-034-5120-044	5,650.00	07-01-17	06-30-18		
Extraordinary Aid	17-495-034-5120-044	7,576.00	07-01-16	06-30-17	(7,576.00)	
Total Extraordinary Aid					(7,576.00)	-
Reimbursed TPAF Social Security Contributions						
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	80,068.97	07-01-17	06-30-18		
Reimbursed TPAF Social Security Contributions	17-495-034-5095-002	78,559.49	07-01-16	06-30-17	(3,351.97)	
Total Reimbursed TPAF Social Security Contributions					(3,351.97)	-
Lead Testing Aid	18-495-034-5120-104	462.50	07-01-17	06-30-18		
Total General Fund					(102,119.97)	-
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Aid	18-100-010-3350-023	486.83	07-01-17	06-30-18		
State School Lunch Aid	17-100-010-3350-023	419.80	07-01-16	06-30-17	(26.66)	
Total Enterprise Fund					(26.66)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(102,146.63)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
TPAF Post-Retirement Medical	18-495-034-5094-001	88,074.00	07-01-17	06-30-18		
Teachers' Pension and Annuity Fund	18-495-034-5094-002	133,133.00	07-01-17	06-30-18		
TPAF Long-term Disability Insurance	18-495-034-5094-004	106.00	07-01-17	06-30-18		
TPAF Non-Contributory Insurance	18-495-034-5094-004	3,231.00	07-01-17	06-30-18		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (102,146.63)	\$ -

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

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2018			Memo Only	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2018	Cumulative Total Expenditures
	\$ 79,326.29	\$ 88,141.00			\$ (8,814.71)			\$ 8,814.71	\$ 88,141.00
	8,813.91								
	635,776.70	706,424.00			(70,647.30)			70,647.30	706,424.00
	70,641.01								
	13,355.00	14,839.00			(1,484.00)			1,484.00	14,839.00
	1,483.87								
	33,213.34	36,904.00			(3,690.66)			3,690.66	36,904.00
	4,003.42								
	1,286.99	1,430.00			(143.01)			143.01	1,430.00
	143.00								
	1,286.99	1,430.00			(143.01)			143.01	1,430.00
	143.00								
	1,367.99	1,520.00			(152.01)			152.01	1,520.00
	152.00								
-	850,993.51	850,688.00	-	-	(85,074.70)	-	-	85,074.70	850,688.00
	52,306.70	58,119.00			(5,812.30)			5,812.30	58,119.00
	5,811.79								
-	58,118.49	58,119.00	-	-	(5,812.30)	-	-	5,812.30	58,119.00
	7,576.00	5,650.00			(5,650.00)				5,650.00
-	7,576.00	5,650.00	-	-	(5,650.00)	-	-	-	5,650.00
	76,179.78	80,068.97			(3,889.19)				80,068.97
	3,351.97								
-	79,531.75	80,068.97	-	-	(3,889.19)	-	-	-	80,068.97
	462.50	462.50							462.50
-	996,682.25	994,988.47	-	-	(100,426.19)	-	-	90,887.00	994,988.47
	446.08	486.83			(40.75)				486.83
	26.66								
-	472.74	486.83	-	-	(40.75)	-	-	-	486.83
-	997,154.99	995,475.30	-	-	(100,466.94)	-	-	90,887.00	995,475.30
	88,074.00	88,074.00							88,074.00
	133,133.00	133,133.00							133,133.00
	106.00	106.00							106.00
	3,231.00	3,231.00							3,231.00
-	224,544.00	224,544.00	-	-	-	-	-	-	224,544.00
\$ -	\$ 1,221,698.99	\$ 1,220,019.30	\$ -	\$ -	\$ (100,466.94)	\$ -	\$ -	\$ 90,887.00	\$ 1,220,019.30

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Woodland School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

There are no adjustments to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund and special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 354.78	\$ 1,219,837.47	\$ 1,220,192.25
Special Revenue		54,125.00	54,125.00
Food Service	18,933.74	486.83	19,420.57
Total Awards and Financial Assistance	<u>\$ 19,288.52</u>	<u>\$ 1,274,449.30</u>	<u>\$ 1,293,737.82</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2018, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 6: MAJOR PROGRAMS

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? X yes ___ no
Significant deficiency(ies) identified? X yes ___ none reported
Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

NOT APPLICABLE

Internal control over major programs:
Material weakness(es) identified? ___ yes ___ no
Significant deficiency(ies) identified? ___ 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 Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? ___ yes ___ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Multiple empty rows for data entry.

Dollar threshold used to determine Type A programs

Auditee qualified as low-risk auditee? ___ yes ___ no

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? [X] yes [] no

Significant deficiency(ies) identified? [X] yes [] none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? [X] yes [] no

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include: 18-495-034-5120-078 Equalization Aid, 18-495-034-5120-089 Special Education Categorical Aid, 18-495-034-5120-084 Security Aid, 18-495-034-5120-085 Adjustment Aid, 18-495-034-5120-097 Per Pupil Growth Aid, 18-495-034-5120-098 PARCC Readiness Aid, 18-495-034-5120-101 Professional Learning Community Aid.

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? [] yes [X] no

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding No. 2018-001

Criteria or Specific Requirement

Effective internal controls and N.J.S.A. 18A:19 et. seq. require that prior to payment, all claims must have a detail bill of items and approval signatures. Additionally, all payments must be charged to the proper budgetary accounts.

Condition

There were several expenditures that lacked proper approval and authorizing signatures and several expenditures were incorrectly charged to the budget.

Context

The following errors were noted in our tests of internal controls and compliance requirements for the payment of claims:

1. Maintenance expenditures in the amount of \$2,473.83 were improperly charged to improvement of instruction services.
2. Student related expenditures in the amount of \$311.14 were improperly charged to administration and central services.
3. Administrative expenses in the amount of \$721.48 were improperly charged to required maintenance.
4. Special education salaries in the amount of \$6,329.95 were improperly charged to student support services non-salary account.
5. Late fees were charged on several expenditures.

Effect

The District was not in compliance with New Jersey Statutes and internal control procedures may not be effective. Noncompliance may result in the potential for inaccurate reporting and unauthorized expenditures could be made which may cause over-expenditures of approved budgetary line items.

Cause

There was a lack of oversight by the responsible official and a lack of effective controls with respect to reviewing vouchers prior to payment.

Recommendation

That the School District ensure that all internal controls over expenditures are reviewed and adhered to.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-002

Criteria or Specific Requirement

As a function of effective internal controls, an accurate general ledger should be maintained and cash accounts should be reconciled in accordance with N.J.S.A. 18A:17-9.

Condition

Formal cash reconciliations were not prepared for two funds, there were several receipts and disbursement posting errors and accounts payables were not set up at year end.

Context

Our review of the accounting records revealed the following:

1. Proprietary fund and fiduciary fund bank reconciliations were not prepared. Although formal bank reconciliations were not prepared, the business administrator reviewed each bank statement and was confident of the balances maintained in each account.
2. Disbursement adjustments were not properly posted.
3. Expenditure for one month health benefits billing paid was incorrectly voided in system.
4. Expenditures for services rendered and goods received prior to June 30 paid in the subsequent period were not set up as accounts payables.

Effect

That controls over the financial accounts and records may not be effective to reduce the likelihood that errors could occur and not be detected.

Cause

Control procedures are not in place to review the financial reports prior to closing.

Recommendation

That the District reviews and implements internal controls to ensure the accuracy of all financial reports and that formal monthly cash reconciliations for all school district funds are prepared timely.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-003

Criteria or Specific Requirement

The Public Employees' Retirement System annual appropriation is required to be paid by April 1 of the fiscal year (N.J.S.A. 43:15A-81).

Teacher Pension and Annuity Fund reimbursement to the State of New Jersey for teachers' salaries paid with federal funds (N.J.S.A 18A:66-90) is required to be filed by October 1 of the year subsequent to payment.

Condition

The Public Employees' Retirement System annual appropriation was not paid by April 1, 2018 and the prior year annual Teacher's Pension and Annuity Fund reimbursement to the State for teachers' salaries paid with federal funds was not paid or filed.

Context

The following errors were noted during audit:

1. The Public Employees' Retirement System annual appropriation was not paid until July 25, 2018.
2. The Teacher's Pension and Annuity Fund reimbursement to the State was not filed for the fiscal year ended June 30, 2017 and has not been paid as of June 30, 2018.

Effect

The New Jersey Division of Pension Guidelines as well as N.J.S.A 18A:66-90 was not adhered to and the School District may be subject to interest charges of up to 10% per annum if payment of the full amount of the PERS annual appropriation is not made within 30 days after April 1.

Cause

Oversight by the responsible official.

Recommendation

The School District should implement procedures to ensure compliance with statutory deadlines for reports required to be filed with the State of New Jersey and that payments due to the State of New Jersey are made timely.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, 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).

A Federal Single Audit was not required.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2018

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Finding No. 2018-004 (Prior Year Finding No. 2017-005)

Information on the State Program

State Aid Public:

- Categorical Aid Special Education Aid (GMIS No. 495-034-5120-089)
- Equalization Aid (GMIS No. 495-034-5120-078)
- Categorical Aid Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)
- PARCC Readiness (GMIS No. 495-034-5120-098)
- Professional Learning Community Aid (GMIS No. 495-034-5120-101)

Criteria or Specific Requirement

A district board of education shall not incur any obligation or approve any payment in excess of the amount appropriated by the district board of education in the applicable line item account or program category account. (N.J.A.C. 6A:23A-16.10).

Condition

Several budgetary line item accounts were over-expended during the fiscal year and at June 30, 2018. Consequently, the general fund budget in total was over-expended by \$15,900.16.

Questioned Costs

None.

Context

Five advertised budgetary appropriations were over-expended for a total of \$19,009.48. As a result of these over-expenditures, there were not sufficient funds available in other budgetary appropriations and the total general fund budget was over-expended by \$15,900.16.

Effect

The School District did not comply with N.J.A.C. 6A:23A-16.10. The School District Board of Education members were not aware of the over-expenditures due to the certification by the responsible official.

Cause

Expenditure adjustments were not properly posted and accounts payable were not recorded resulting in inaccurate month-end reports utilized to determine over-expenditures. There was a reduction in the District's State Aid allocation and the original budget posted in the system did not agree with the Department of Education approved budget.

Recommendation

Approved budgetary line accounts should not be over-expended. The Board Secretary should ensure budgetary records are accurate prior to certifying the budgetary line item status and approving the issuance of purchase orders that would cause over-expenditure in the line item accounts to be charged.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2018

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2018-005 (Prior Year Finding No. 2017-006)

Information on the State Program

State Aid Public:

- Categorical Aid Special Education Aid (GMIS No. 495-034-5120-089)
- Equalization Aid (GMIS No. 495-034-5120-078)
- Categorical Aid Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)
- PARCC Readiness (GMIS No. 495-034-5120-098)
- Professional Learning Community Aid (GMIS No. 495-034-5120-101)

Criteria or Specific Requirement

Public School Contracts Law requires that bids and quotes are solicited for certain purchases in excess of the bid or quote threshold and that professional service and extraordinary unspecifiable service contracts be advertised after award.

Condition

There were several contracts that were not compliant with the Public School Contracts Law.

Questioned Costs

None.

Context

The following errors were noted during our test of compliance with the Public School Contracts Law:

1. Payment to one vendor in excess of \$17,500.00 was not bid.
2. One extraordinary unspecifiable services contract over the bid threshold was not advertised.
3. One professional service contract over the bid threshold was not advertised.
4. Quotes were not obtained for expenditure exceeding the quote threshold.

Effect

The School District did not fully comply with the Public School Contracts Law.

Cause

Oversight by the responsible official.

Recommendation

That effective control procedures be established to ensure compliance with all facets of the regulations set forth in the Public School Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2018-006

Information on the State Program

State Aid Public:

- Categorical Aid Special Education Aid (GMIS No. 495-034-5120-089)
- Equalization Aid (GMIS No. 495-034-5120-078)
- Categorical Aid Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)
- PARCC Readiness (GMIS No. 495-034-5120-098)
- Professional Learning Community Aid (GMIS No. 495-034-5120-101)

Criteria or Specific Requirement

N.J.S.A. 18A:11-12 and N.J.A.C. 6A:23A-7.1 provide specific guidelines for School District travel policies.

Condition

The District did not establish a maximum travel expenditures amount for the fiscal year 2018 and one travel expenditure was not compliant with School District travel policies and New Jersey Administrative Code.

Questioned Costs

None.

Context

The error was noted during our test of compliance requirements. One of six travel expenditures tested for mileage reimbursement was not properly calculated resulting in \$75.35 overpayment to one employee.

Effect

The Commissioner of Education may reduce State Aid payments to any District by any amounts found to be in violation of restriction placed on travel expenditures in accordance with regulations adopted by the Commissioner.

Cause

Oversight by the responsible official.

Recommendation

That the District establish a maximum travel expenditure amount for current and future fiscal years and review all travel expenditures for compliance.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

Condition

The general ledger was not maintained during the fiscal year and cash reconciliations were not timely prepared. Significant adjusting journal entries were required to adequately reflect the financial condition of the School District.

Current Status

This condition has been partially resolved with respect to the maintenance of the general ledger. See finding number 2018-002.

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.

Finding No. 2017-002

Condition

There were several expenditures that lacked proper approval and authorizing signatures. In addition several expenditures were incorrectly charged to the budget.

Current Status

This condition has not been resolved. See finding number 2018-001.

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.

Finding No. 2017-003

Condition

The biweekly Teacher's Pension and Annuity Fund reimbursement requests were not made timely, the monthly federal grant reimbursement requests were not submitted during the fiscal year and the annual Teacher's Pension and Annuity Fund reimbursement to the State for teachers' salaries paid with federal funds was not filed by October 1. The Certification of Implementation of the Correction Action Plan for the fiscal year ended June 30, 2016 was not filed by June 30 of the subsequent year and the Certification of Compliance with Federal and State Law Respecting the Reporting of Compensation for Certain Employees (E-CERT1) was not filed by March 15 of the current fiscal year.

Current Status

This condition has been partially resolved. See finding number 2018-003.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Summary Schedule of Prior Year Audit Findings
 and Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2017-004

Condition

Monthly payments to the New Jersey Division of Pensions for employees' payroll deductions of Teacher's Pension and Annuity Fund and Public Employees' Retirement System were not made on a timely basis. In addition, the Public Employee's Retirement System annual appropriation was not paid by April 1.

Current Status

This condition has been partially resolved. See finding number 2018-003.

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2017-005

Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Categorical Aid Special Education Aid (GMIS No. 495-034-5120-089)
- Categorical Aid Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)
- PARCC Readiness (GMIS No. 495-034-5120-098)
- Professional Learning Community Aid (GMIS No. 495-034-5120-102)

Condition

Several budgetary line item accounts were over-expended during the fiscal year and at June 30, 2017, despite the Board Secretary's monthly certification to the contrary.

Current Status

This condition has not been resolved. See finding number 2018-004.

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 Summary Schedule of Prior Year Audit Findings
 and Questioned Costs as Prepared by Management (Cont'd)

STATE FINANCIAL ASSISTANCE PROGRAMS (CONT'D)

Finding No. 2017-006

Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Categorical Aid Special Education Aid (GMIS No. 495-034-5120-089)
- Categorical Aid Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)
- PARCC Readiness (GMIS No. 495-034-5120-098)
- Professional Learning Community Aid (GMIS No. 495-034-5120-102)

Condition

There were several contracts that were not compliant with Public School Contracts Law.

Current Status

This condition has not been resolved. See finding number 2018-005.

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.

Finding No. 2017-007

Program

State Aid Public:

- Equalization Aid (GMIS No. 495-034-5120-078)
- Categorical Aid Special Education Aid (GMIS No. 495-034-5120-089)
- Categorical Aid Security Aid (GMIS No. 495-034-5120-084)
- Adjustment Aid (GMIS No. 495-034-5120-085)
- Per Pupil Growth Aid (GMIS No. 495-034-5120-097)
- PARCC Readiness (GMIS No. 495-034-5120-098)
- Professional Learning Community Aid (GMIS No. 495-034-5120-102)

Condition

The Board Secretary's report was not filed with the County Superintendent on or before August 1.

Current Status

This condition has been resolved.