

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

Chatsworth, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

TOWNSHIP OF WOODLAND SCHOOL DISTRICT

CHATSWORTH, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by

WOODLAND TOWNSHIP SCHOOL DISTRICT BUSINESS OFFICE

OUTLINE OF CAFR

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INTRODUCTORY SECTION

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

February 25, 2020

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Township of Woodland School District (School District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Woodland School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School 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 New Jersey OMB’s 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 independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Woodland School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels K through 8. These include regular instruction as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	131	-2.96%
2017-2018	135	-5.59%
2016-2017	143	-8.33%
2015-2016	156	0.00%
2014-2015	156	4.70%

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 retables within the township's value decreasing significantly.

MAJOR INITIATIVES

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 is in year three with the NJDOE NJTSS-ER grant initiative. Over the last three years the district has overhauled its early reading tired system of supports. During these three years we have worked as a team to provide professional development to staff, create a screening process for early readers, diagnose students with early reading struggles, as well as develop a plan and process to address these needs within our classrooms. The district will continue to work on this in the upcoming years to continue to enhance student achievement.

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 these areas in order to enhance the Woodland Township School District for our current students as well as our students of the future.

INTERNAL ACCOUNTING CONTROLS

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

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

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

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 approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

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 School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide 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 the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property

taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

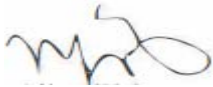
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.


ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

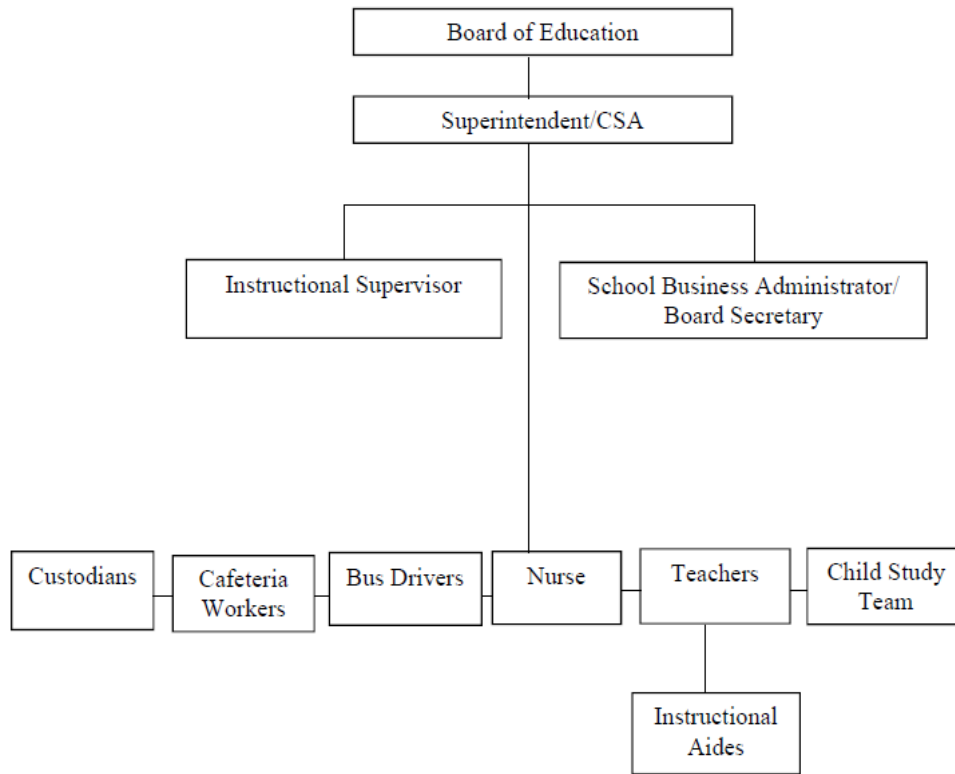


Misty Weiss,
Superintendent



Laura Archer
School Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
CHATSWORTH, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2019

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Edward Vincent, President	2020
William Dirkin, Vice President	2021
Christopher Diaz	2021
Linda Morris	2021
Melissa Starwood	2021

OTHER OFFICIALS

Misty Weiss, Superintendent

Carolyn Fischl, Curriculum Supervisor

Vacant, Treasurer of School Monies

Laura Archer, Business Administrator/Board Secretary

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Kevin P. Frenia
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, NJ 08055

ATTORNEY

Parker McCay
9000 Midlantic Drive, Suite 300
Mt Laurel, NJ 08054

OFFICIAL DEPOSITORY

TD Bank

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FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
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INDEPENDENT AUDITOR'S REPORT

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

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 Woodland Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2019, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Woodland Township School District, County of Burlington, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Correction of an Error

As discussed in Note 20 to the financial statements, during the fiscal year ended June 30, 2019 the District determined that the compensated absences balance recorded in the prior period was not accurate. The District has corrected this with a prior period adjustment to the financial statements. 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, and the schedules related to accounting and reporting for pensions and other post employment benefits, 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 Woodland Township 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 New Jersey OMB's Circular 15-08, *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 the 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 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 25, 2020 on our consideration of the 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 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 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
February 25, 2020

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

As management of the Woodland Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund and the Special Revenue Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains two individual governmental funds. The major funds are the General Fund and the Special Revenue Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund and the Special Revenue Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's enterprise fund (Food Service Fund) is listed individually and is considered to be major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2019 compared to fiscal year 2018.

Table 1
Summary of Net Position

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 121,508	\$ 110,410	\$ 11,098	10.1%
Capital Assets, Net	1,155,708	1,289,139	(133,431)	-10.4%
Total Assets	<u>1,277,216</u>	<u>1,399,549</u>	<u>(122,333)</u>	-8.7%
Deferred Outflow of Resources	<u>214,370</u>	<u>391,316</u>	<u>(176,946)</u>	-45.2%
Current and other Liabilities	305,068	236,491	68,577	29.0%
Noncurrent Liabilities	<u>780,427</u>	<u>1,366,553</u>	<u>(586,126)</u>	-42.9%
Total Liabilities	<u>1,085,495</u>	<u>1,603,044</u>	<u>(517,549)</u>	-32.3%
Deferred Inflow of Resources	<u>586,011</u>	<u>381,847</u>	<u>204,164</u>	53.5%
Net Position:				
Net Investment in Capital Asset	1,143,681	1,104,548	39,133	3.5%
Restricted	1	1	-	0.0%
Unrestricted (Deficit)	<u>(1,323,602)</u>	<u>(1,298,575)</u>	<u>(25,027)</u>	1.9%
Total Net Position	<u>\$ (179,920)</u>	<u>\$ (194,026)</u>	<u>\$ 14,106</u>	-7.3%

WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2018 compared to fiscal year 2019.

Table 2
Summary of Changes in Net Position (continued)

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 24,179	\$ 26,567	\$ (2,388)	-9.0%
Operating Grants & Contributions	757,603	1,032,119	(274,516)	-26.6%
General Revenues:				
Property Taxes	1,945,265	1,882,055	63,210	3.4%
Federal & State Aid	919,325	915,579	3,746	0.4%
Other General Revenues	34,573	14,285	20,288	142.0%
Capital Leases Cancelled	157,089	-	157,089	100.0%
Total Revenues	<u>3,838,034</u>	<u>3,870,605</u>	<u>(32,571)</u>	<u>-0.8%</u>
Function/Program Expenditures:				
Regular Instruction	783,596	1,014,334	(230,738)	-22.7%
Special Education Instruction	384,810	466,545	(81,735)	-17.5%
Other Instruction	79,664	91,311	(11,647)	-12.8%
Tuition	242,582	199,988	42,594	21.3%
Student & Instruction Related Services	311,348	255,135	56,213	22.0%
General Administrative	166,542	301,750	(135,208)	-44.8%
School Administrative Services	5,392	20,354	(14,962)	-73.5%
Central Services	91,994	-	91,994	100.0%
Plant Operations & Maintenance	194,385	249,858	(55,473)	-22.2%
Pupil Transportation	241,005	192,261	48,744	25.4%
Unallocated Benefits	702,315	842,193	(139,878)	100.0%
On Behalf TPAF Pension and Social				
Security Contributions	418,969	304,613	114,356	100.0%
Interest & Other Charges	(3,862)	-	(3,862)	0.0%
Unallocated Depreciation	132,403	-	132,403	0.0%
Proprietary Funds	72,785	82,103	(9,318)	-11.3%
Total Expenditures	<u>3,823,928</u>	<u>4,020,445</u>	<u>(196,517)</u>	<u>-4.9%</u>
Change In Net Position	14,106	(149,840)	163,946	-109.4%
Prior Period Adjutment (Note 20)	-	88,075	(88,075)	0.0%
Net Position - Beginning	<u>(194,026)</u>	<u>(132,261)</u>	<u>(61,765)</u>	<u>46.7%</u>
Net Position - Ending	<u>\$ (179,920)</u>	<u>\$ (194,026)</u>	<u>\$ 14,106</u>	<u>-7.3%</u>

WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2019, the net position of governmental activities increased by \$1,120 or 1%.

The liabilities and deferred inflows of the primary government activities exceeded assets and deferred outflows by \$191,392, with an unrestricted deficit balance of \$1,328,492. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (1,328,492)
Add back: PERS Pension Liability	710,458
Less: Deferred Outflows related to pensions	(214,370)
Add back: Deferred Inflows related to pensions	<u>586,011</u>
Unrestricted Net Position (Without GASB 68)	<u><u>\$ (246,393)</u></u>

Business-type Activities

During the fiscal year 2019, the net position of business-type activities increased by \$12,986.

General Fund Budgeting Highlights

Final budgeted revenues was \$2,853,503, which was a decrease of \$23,353 from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$26,573.

Final budgeted appropriations was \$2,853,818, which was a decrease of \$23,038 from the original budget. The decrease is due to a decrease in adjustment aid received from the state of New Jersey. Excluding nonbudgeted expenditures, the School District's actual expenditures exceeded budget appropriations by \$126,836.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$(68,671) at June 30, 2019, a decrease of \$82,355 from the prior year.

WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Governmental Funds

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$81,491 or 106% to \$(158,694) at June 30, 2019, compared to an increase of \$26 in fund balance in the prior fiscal year.

Special revenue fund – There was no change in the fund balance for the special revenue fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$12,986 to \$11,472 at June 30, 2019, compared to a decrease of \$8,318 in fund balance in the prior fiscal year.

MDA

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$1,155,708 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School Districts "Net Investment in Capital Assets" component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$133,430. Table 4 shows fiscal 2019 balances compared to 2018.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 13,820	\$ 13,820	\$ -	0.0%
Land Improvements	535,746	579,807	(44,061)	-7.6%
Building and Improvements	350,073	406,254	(56,181)	-13.8%
Equipment	256,069	289,258	(33,189)	-11.5%
	<u>\$ 1,155,708</u>	<u>\$ 1,289,139</u>	<u>\$ (133,431)</u>	-10.4%

Depreciation expense for the year was \$132,403. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

WOODLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Factors on the School District's Future

The Woodland Township School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Woodland Township School District Business Office, Second Street and John Bowker Jr. Blvd., Chatsworth NJ, 08019.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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TOWNSHIP OF WOODLAND SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS <u> </u> JUNE 30, 2019
Cash & Cash Equivalents	\$ -	\$ 568	\$ 568
Internal Balances	(650)	650	-
Receivables, Net (Note 4)	117,267	2,583	119,850
Inventory	-	1,089	1,089
Restricted Cash & Cash Equivalents	1	-	1
Capital Assets, Net (Note 5)			
Non-Depreciable	13,820	-	13,820
Depreciable, Net	1,135,306	6,582	1,141,888
			<u> </u>
Total Assets	1,265,744	11,472	1,277,216
			<u> </u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	214,370	-	214,370
			<u> </u>
Total Deferred Outflows of Resources	214,370	-	214,370
			<u> </u>
Total Assets and Deferred Outflows of Resources	1,480,114	11,472	1,491,586
			<u> </u>
LIABILITIES			
Cash Deficit	200,417	-	200,417
Accounts Payable	68,547	-	68,547
Due to Other Governments	36,104	-	36,104
Noncurrent Liabilities (Note 7):			
Due within one year	12,753	-	12,753
Due in more than one year	767,674	-	767,674
			<u> </u>
Total Liabilities	1,085,495	-	1,085,495
			<u> </u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension (Note 8)	586,011	-	586,011
			<u> </u>
Total Deferred Inflows of Resources	586,011	-	586,011
			<u> </u>
Total Liabilities and Deferred Inflows of Resources	1,671,506	-	1,671,506
			<u> </u>
NET POSITION			
Net Investment in Capital Assets	1,137,099	6,582	1,143,681
Restricted For:			
Capital Reserve	1	-	1
Unrestricted (Deficit)	(1,328,492)	4,890	(1,323,602)
			<u> </u>
Total Net Position	\$ (191,392)	\$ 11,472	\$ (179,920)
			<u> </u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGED IN NET POSITION			TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		JUNE 30, 2019
Governmental Activities:							
Instruction:							
Regular	\$ 783,596	\$ -	\$ 11,653	\$ (771,943)	\$ -	\$ -	\$ (771,943)
Special Education	384,810	-	-	(384,810)	-	-	(384,810)
Other Instruction	79,664	-	-	(79,664)	-	-	(79,664)
Support Services:							
Tuition	242,582	-	-	(242,582)	-	-	(242,582)
Student & Instruction Related Services	311,348	-	42,552	(268,796)	-	-	(268,796)
General Administrative Services	166,542	-	-	(166,542)	-	-	(166,542)
School Administrative Services	5,392	-	-	(5,392)	-	-	(5,392)
Central Services	91,994	-	-	(91,994)	-	-	(91,994)
Plant Operations and Maintenance	194,385	-	-	(194,385)	-	-	(194,385)
Pupil Transportation	241,005	-	-	(241,005)	-	-	(241,005)
Unallocated Employee Benefits	702,315	-	266,246	(436,069)	-	-	(436,069)
On-Behalf TPAF Pension and Social Security Contributions	418,969	-	418,969	-	-	-	-
Interest and Other Charges	(3,862)	-	-	3,862	-	-	3,862
Unallocated Depreciation	132,403	-	-	(132,403)	-	-	(132,403)
Total Governmental Activities	3,751,143	-	739,420	(3,011,723)	-	-	(3,011,723)
Business-Type Activities:							
Food Service	72,785	24,179	18,183	-	(30,423)	(30,423)	(30,423)
Total Business-Type Activities	72,785	24,179	18,183	-	(30,423)	(30,423)	(30,423)
Total Primary Government	\$ 3,823,928	\$ 24,179	\$ 757,603	(3,011,723)	(30,423)	(30,423)	(3,042,146)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				1,945,265	-	-	1,945,265
Federal & State Aid Unrestricted				919,325	-	-	919,325
Miscellaneous Income				34,573	-	-	34,573
Capital Lease Cancelled Transfers				157,089	-	-	157,089
				(43,409)	43,409	-	-
Total General Revenues, Special Items, Extraordinary Items & Transfers				3,012,843	43,409	-	3,056,252
Change In Net Position				1,120	12,986	-	14,106
Net Position - Beginning (Restated - See Note 20)				(192,512)	(1,514)	-	(194,026)
Net Position - Ending				\$ (191,392)	\$ 11,472	\$ -	(179,920)

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

B. Fund Financial Statements

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Governmental Funds

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS <u>JUNE 30, 2019</u>
Cash & Cash Equivalents	\$ -	\$ -	\$ -
Receivables, Net:			
Interfund Receivable	10,274	-	10,274
Due from Other Governments:			
Federal	-	70,827	70,827
State	22,415	-	22,415
Other	24,025	-	24,025
Restricted Cash & Cash Equivalents	1	-	1
Total Assets	<u>\$ 56,715</u>	<u>\$ 70,827</u>	<u>\$ 127,542</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Cash Deficit	\$ 146,212	\$ 54,205	\$ 200,417
Accounts Payable	68,547	-	68,547
Intergovernmental Payable:			
Federal	-	6,348	6,348
Interfund Payable	650	10,274	10,924
Total Liabilities	<u>215,409</u>	<u>70,827</u>	<u>286,236</u>
Fund Balances:			
Restricted for:			
Capital Reserve	1	-	1
Unassigned	(158,695)	-	(158,695)
Total Fund Balances	<u>(158,694)</u>	<u>-</u>	<u>(158,694)</u>
Total Liabilities & Fund Balances	<u>\$ 56,715</u>	<u>\$ 70,827</u>	
Amounts reported for <i>governmental activities</i> in the statement of Net Position (A-2) 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 \$3,637,450 and the accumulated depreciation is \$2,488,324.			1,149,126
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.			(371,641)
Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.			(29,756)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.			(780,427)
Net position of Governmental Activities			<u>\$ (191,392)</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS JUNE 30, 2019
Revenues:			
Local Sources:			
Local Tax Levy	\$ 1,945,265	\$ -	\$ 1,945,265
Other Local Revenues/Miscellaneous	34,573	-	34,573
Total Local Sources	1,979,838	-	1,979,838
State Sources	1,279,739	-	1,279,739
Federal Sources	-	54,205	54,205
Total Revenues	3,259,577	54,205	3,313,782
Expenditures:			
Current Expense:			
Regular Instruction	771,943	11,653	783,596
Special Education Instruction	384,810	-	384,810
Other Instruction	79,664	-	79,664
Support Services & Undistributed Costs:			
Tuition	242,582	-	242,582
Student & Instruction Related Services	268,796	42,552	311,348
General Administrative Services	166,542	-	166,542
School Administrative Services	5,392	-	5,392
Central Services	91,994	-	91,994
Plant Operations & Maintenance	194,385	-	194,385
Pupil Transportation	252,617	-	252,617
Unallocated Employee Benefits	478,520	-	478,520
On-Behalf TPAF Pension and Social Security Contributions	360,414	-	360,414
Total Expenditures	3,297,659	54,205	3,351,864
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(38,082)	-	(38,082)
Other Financing Sources/(Uses):			
Transfers In/(Out)	(43,409)	-	(43,409)
Total Other Financing Sources/(Uses)	(43,409)	-	(43,409)
Net Change in Fund Balance	(81,491)	-	(81,491)
Fund Balances July 1	(77,203)	-	(77,203)
Fund Balances June 30	\$ (158,694)	\$ -	\$ (158,694)

The Accompanying Notes to the 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 YEAR ENDED JUNE 30, 2019**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	(81,491)
<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. When capital outlays and other adjustments exceed depreciation, the difference is an addition in the reconciliation (+); when depreciation and other adjustments exceed capital outlays the difference is a reduction to the reconciliation (-)</p>		
Depreciation Expense	<u>\$ (132,403)</u>	(132,403)
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		168,701
<p>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 exceeded the School District's pension contributions in the current period.</p>		
		55,555
<p>Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
Pension (PERS) Payment Deferral		726
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+)</p>		
		3,862
<p>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 (+). position and is not reported in the statement of activities.</p>		
		<u>(13,830)</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>1,120</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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Proprietary Funds

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 PROPRIETARY FUND
 BUSINESS TYPE ACTIVITIES - ENTERPRISE FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2019**

<u>ASSETS</u>	<u>FOOD SERVICE</u>
Current Assets:	
Cash	\$ 568
Accounts Receivable:	
State	78
Federal	2,505
Interfund	650
Inventories	1,089
Total Current Assets	<u>4,890</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	38,044
Less: Accumulated Depreciation	<u>(31,462)</u>
Total Noncurrent Assets	<u>6,582</u>
Total Assets	<u>11,472</u>
NET POSITION	
Net Investment in Capital Assets	6,582
Unrestricted	<u>4,890</u>
Total Net Position	<u><u>\$ 11,472</u></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, 2019**

	FOOD SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 14,799
Daily Sales - Nonreimbursable Programs	9,380
Total Operating Revenue	24,179
Operating Expenses:	
Cost of Sales - Reimbursable Programs	18,059
Cost of Sales - Nonreimbursable Programs	9,242
Salaries and Fringe Benefits	43,409
Supplies and Materials	793
Miscellaneous Expenses	254
Depreciation	1,028
Total Operating Expenses	72,785
Operating Income/(Loss)	(48,606)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	440
Federal Sources:	
National School Lunch Program	13,522
National School Breakfast Program	742
Food Distribution Program	3,479
Total Nonoperating Revenue/(Expenses)	18,183
Other Financing Sources/(Uses):	
Operating Transfers In/(Out)	43,409
Total Other Financing Sources/(Uses)	43,409
Change in Net Position	12,986
Total Net Position - Beginning	(1,514)
Total Net Position - Ending	\$ 11,472

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 PROPRIETARY FUNDS
 BUSINESS TYPE ACTIVITIES - ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

		FOOD SERVICE
Cash Flows from Operating Activities:		
Receipts from Customers	\$	23,126
Payments to Employees		(43,409)
Payments to Suppliers		(28,849)
		(49,132)
Cash Flows From Noncapital Financing Activities:		
State Sources		403
Federal Sources		16,508
Operating Subsidies and Transfers from Other Funds		32,288
		49,199
Net Increase/(Decrease) in Cash & Cash Equivalents		67
Balances - Beginning of Year		501
Balances - Ending of Year	\$	568

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

Operating Income (Loss)	\$	(48,606)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Change in Assets & Liabilities:		
Depreciation & Net Amortization		1,028
(Increase)/Decrease in Accounts Receivable, Net		25
Increase/(Decrease) in Unearned Revenue		(1,078)
(Increase)/Decrease in Inventory		21
Increase/(Decrease) in Accounts Payable		(522)
		(49,132)
Net Cash Provided by (Used for) Operating Activities	\$	(49,132)

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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Fiduciary Fund

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITON
JUNE 30, 2019**

ASSETS	AGENCY FUNDS	<u>TOTALS</u>
Cash & Cash Equivalents	\$ 2,293	<u>\$ 2,293</u>
Total Assets	<u>2,293</u>	<u>2,293</u>
LIABILITIES		
Payroll Deductions & Withholdings	2,058	2,058
Due to Student Groups	<u>235</u>	<u>235</u>
Total Liabilities	<u>2,293</u>	<u>2,293</u>
NET POSITION		
Reserved	<u>-</u>	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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TOWNSHIP OF WOODLAND SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Township of Woodland School District (hereafter referred to as the “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 is comprised of five members elected to three-year terms. These terms are staggered so that two members’ terms expire each year. The purpose of the District is to educate students in grades kindergarten through eight at its one schools. The District has an approximate enrollment at June 30, 2019 of 131 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34 and GASB 80, Blending Requirements for certain component units – and Amendment of Gas Statement No. 14. The District had no component units as of for the year ended June 30, 2019.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenues of the Food Service Fund program are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

The District reports the following major proprietary fund:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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:23-2-2(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:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2019 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

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 measureable and the District is eligible to realize the revenue.

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, government 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.

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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2019.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Implementation of this Statement did not have a material impact on the School Districts financial statements.

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. Implementation of this Statement did not have a material impact on the School Districts financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period . The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 90, Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61 . The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 91, Conduit Debt Obligations , The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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 pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2019, the District’s bank balance of \$2,517,629 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	2,378,834
Uninsured and Uncollateralized		138,795
	\$	2,517,629

Investments

The School District has no investments at June 30, 2019.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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, 2018 to June 30, 2019 fiscal year.

The June 30, 2019 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2019 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary</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	\$ -	\$ 70,827	\$ 70,827	\$ 2,505	\$ 2,505
State Awards	22,415	-	22,415	78	78
Other	24,025	-	24,025	-	-
Total	\$ 46,440	\$ 70,827	\$ 117,267	\$ 2,583	\$ 2,583

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance July 1, <u>2018</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	<u>Adjustments</u>	Balance June 30, <u>2019</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 13,820	\$ -	\$ -	\$ -	\$ 13,820
Total Capital Assets not being depreciated	<u>13,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,820</u>
Capital Assets being depreciated:					
Land Improvements	760,838	-	-	-	760,838
Buildings and Improvements	2,412,781	-	-	-	2,412,781
Equipment	450,011	-	-	-	450,011
Total Capital Assets being depreciated	<u>3,623,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,623,630</u>
Less: Accumulated Depreciation:					
Land Improvements	(181,031)	(44,062)	-	-	(225,093)
Buildings and Improvements	(2,006,526)	(56,181)	-	-	(2,062,707)
Equipment	(168,364)	(32,160)	-	-	(200,524)
Total Accumulated Depreciation	<u>(2,355,921)</u>	<u>(132,403)</u>	<u>-</u>	<u>-</u>	<u>(2,488,324)</u>
Total Capital Assets being depreciated, net	<u>1,267,709</u>	<u>(132,403)</u>	<u>-</u>	<u>-</u>	<u>1,135,306</u>
Total Governmental Activities Capital Assets, net	<u>\$ 1,281,529</u>	<u>\$ (132,403)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,149,126</u>
Business-Type Activities:					
Equipment	\$ 38,044	\$ -	\$ -	\$ -	\$ 38,044
	<u>38,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,044</u>
Less: Accumulated Depreciation:					
Equipment	(30,434)	(1,028)	-	-	(31,462)
	<u>(30,434)</u>	<u>(1,028)</u>	<u>-</u>	<u>-</u>	<u>(31,462)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 7,610</u>	<u>\$ (1,028)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,582</u>

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 10,274	\$ -
Special Revenue Fund	-	10,274
	<u>\$ 10,274</u>	<u>\$ 10,274</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Interfund transfers for the year ended June 30, 2019 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 43,409
Food Service Fund	43,409	-
	<u>\$ 43,409</u>	<u>\$ 43,409</u>

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2019 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Cancellations</u>	<u>Balance June 30, 2019</u>	<u>Balance Due Within One Year</u>
Governmental Activities:						
Capital Leases	\$ 180,728	\$ -	\$ 11,612	\$ 157,089	\$ 12,027	\$ 12,027
Compensated Absences	127,103	13,830	-	88,075	52,858	-
PERS Payment Deferral	5,810	-	726	-	5,084	726
Net Pension Liability	1,140,987	-	430,529	-	710,458	-
	<u>\$ 1,454,628</u>	<u>\$ 13,830</u>	<u>\$ 442,867</u>	<u>\$ 245,164</u>	<u>\$ 780,427</u>	<u>\$ 12,753</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences, capital leases, unamortized bond premiums, assessments and net pension liability are liquidated by the general fund.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Capital Lease Payable

The School District is leasing capital items and equipment under capital leases. All capital leases are for terms of five to ten years. In July 2019 the School District cancelled a lease for two 54 passenger buses. The buses were returned to the leasing company without penalty. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments as of June 30, 2019.

Fiscal Year Ending <u>June 30,</u>	
2020	\$ 12,027
Total Minimum Lease Payments	12,027
Less: Amount Representing Interest	<u>(472)</u>
Present Value of Minimum Lease Payments	<u>\$ 11,555</u>

Public Employees' Retirement System (PERS) Payment Deferral – On March 17, 2009 P.L. 2009 c.19 (S-21) was signed in to legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the district's 2008-2009 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 2012. The amount to be repaid will fluctuate based on the pension system investment earnings in the unfunded liability.

The School District elected to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$10,839. The following is a schedule for the payment of the PERS deferral:

Fiscal Year Ending <u>June 30,</u>	Deferral <u>Payment</u>	Projected <u>Interest</u>	Total Projected <u>Payment</u>
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	726.23	179.75	905.98
2025-2027	<u>1,452.46</u>	<u>179.76</u>	<u>1,632.22</u>
	<u>\$ 5,083.61</u>	<u>\$ 1,677.63</u>	<u>\$ 6,761.24</u>

Bonds Authorized But Not Issued:

As of June 30, 2019, the District had no authorized but not issued bonds.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2019, the School District reported a liability of \$710,458 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018.

The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The School District's proportion measured as of June 30, 2018, was .003608%, which was a decrease of .001293% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$55,555 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:

	Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 13,549	\$ 3,663
Changes of Assumptions	117,072	227,167
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	6,664
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	53,993	348,517
School District Contributions Subsequent to Measurement Date	29,756	-
	\$ 214,370	\$ 586,011

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

\$29,756 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.99%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The 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	<u>June 30,</u>	<u>Amount</u>
2020		\$ (25,912)
2021		(73,936)
2022		(157,110)
2023		(69,452)
2024		<u>(45,231)</u>
		<u><u>\$ (371,641)</u></u>

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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 Outflow of Resources</u>	<u>Deferred Inflow 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	-
June 30, 2018	5.63	-
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
June 30, 2018	-	5.63
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	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between 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
June 30, 2018	5.63	5.63

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.86, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the 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 scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

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 PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<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	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 rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

A. Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the 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-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 893,319</u>	<u>\$ 710,458</u>	<u>\$ 557,049</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017

	<u>6/30/2019</u>	<u>6/29/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 4,684,852,302	\$ 5,396,431,901
Deferred Inflows of Resources	7,646,736,226	4,672,602,040
Net Pension Liability	19,689,501,539	23,278,401,588
District's portion of the Plan's total net pension Liability	0.00361%	0.00490%

B. Teachers' Pension and Annuity Fund (TPAF)

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

The vesting and benefit provisions are set by N.J.S.A. 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.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

B. Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th 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 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years 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.

Contributions - The contribution policy for TPAF 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 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2018 was \$5,751,301. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .0090%, which was an increase of .00001% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

B. Teachers' Pension and Annuity Fund (TPAF) (Continued)

For the fiscal year ended June 30, 2019, the School District recognized \$335,281 in on-behalf 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, 2018 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

B. Teachers' Pension and Annuity Fund (TPAF) (Continued)

<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	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%
	<hr style="width: 100%; border: 1px solid black;"/>	
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. The single blended discount rate was based on 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, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.86% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

B. Teachers' Pension and Annuity Fund (TPAF) (Continued)

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>6,797,929</u>	<u>5,751,301</u>	<u>4,883,672</u>
	<u><u>\$ 6,797,929</u></u>	<u><u>\$ 5,751,301</u></u>	<u><u>\$ 4,883,672</u></u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2019</u>	<u>6/29/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 12,675,037,111	\$ 14,353,461,035
Deferred Inflows of Resources	16,381,811,884	11,992,821,439
Net Pension Liability	63,806,350,446	67,670,209,171
District's portion of the Plan's total net pension Liability	0.00361%	0.00490%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (Continued):

C. Defined Contribution Plan (DCRP) (Continued)

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

Note 9. Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the 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

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

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.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

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.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Note 9. Post-Retirement Benefits (Continued):

The actuarial assumptions used in the June 30, 2018 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.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2018 was \$6,870,858. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the OPEB Obligation attributable to the School District was 0.0149%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB expense in the amount of \$265,988 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

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, 2018 was 3.87%. 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.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 8,122,753	\$ 6,870,858	\$ 5,875,731
State of New Jersey's Total Non- employer Liability	\$ 54,512,391,175	\$ 46,110,832,982	\$ 39,432,461,816

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 5,679,164	\$ 6,870,858	\$ 8,446,919
State of New Jersey's Total Nonemployer OPEB Liability	\$ 38,113,289,045	\$ 46,110,832,982	\$ 56,687,891,003

* See Healthcare Cost Trend Assumptions for details of rates.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Post-Retirement Benefits (Continued):

Additional Information

Collective balances of the Local Group at June 30, 2018 are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion	\$ 1,377,313,892	\$ (1,377,313,892)
Differences between Expected & Actual Experience	\$ -	\$ (4,476,086,167)
Change in Assumptions	\$ -	\$ (10,335,978,867)
Contributions Made in Fiscal Year Year Ending 2019 After June 30, 2018 Measurement Date **	<u>TBD</u>	<u>\$ -</u>
	<u>\$ 1,377,313,892</u>	<u>\$ (16,189,378,926)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	<u>(5,685,972,069)</u>
	<u>\$ (14,812,065,034)</u>

Plan Membership

At June 30, 2017, the Program membership consisted of the following:

	<u>June 30, 2017</u>
Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>145,050</u>
	<u><u>362,181</u></u>

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

Total OPEB Liability

Service Cost	\$ 1,984,642,729
Interest Cost	1,970,236,232
Difference Between Expected & Actual Experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Contributions: Member	42,614,005
Gross Benefit Payments	<u>(1,232,987,247)</u>
Net Change in Total OPEB Liability	(7,529,008,876)
Total OPEB Liability (Beginning)	<u>53,639,841,858</u>
Total OPEB Liability (Ending)	<u>\$ 46,110,832,982</u>
Total Covered Employee Payroll	\$ 13,640,275,833
Net OPEB Liability as a Percentage of Payroll	338%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for normal costs, post-retirement medical costs, social security, and long-term disability were \$190,1996, \$86,272, \$83,688 and \$258, respectively.

Note 11. Risk Management

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

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

Joint Insurance Pool – The School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage's:

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers' Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Lincoln Investment Planning
AXA Equitable

Note 15. Compensated Absences

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

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded within those funds as the benefits accrue to employees. Refer to Note 20 for details on the compensated absences liability as of June 30, 2019.

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Note 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance as of June 30, 2019.

Note 18. Fund Balance

General Fund – Of the \$(158,694) General Fund fund balance at June 30, 2019, \$1 has been reserved in the Capital Reserve Account

Note 19. Deficit in Fund Balance

The School District has a deficit fund balance of \$158,695 in the general fund as of June 30, 2019 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.

On December 6, 2019 the District received notice that the State of New Jersey approve the District's application for Emergency Aid in the Amount of \$254,201, as a result of a needs based assessment performed by the New Jersey Department of Education, pursuant to P.L. 2019, c. 150.

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

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 19. Deficit in Fund Balance (Continued)

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 \$158,695 is greater than the June state aid payments.

Unrestricted Net Position – The School District’s governmental activities had a deficit in unrestricted net position in the amount of \$(1,328,492). The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2019.

Note 20. Prior Period Adjustment/Restatement of Net Position - Correction of an Error

In the fiscal year ended June 30, 2019, the School District determined that the compensated absences liability recorded in the prior period was not accurate. The District conducted an internal audit of compensated absences and an adjustment of the prior year balance is required per the internal audit results. The District’s compensated absences liability was determined to be overstated by \$88,075 as of June 30, 2018, resulting in an understatement of net position of the same amount. The District has corrected this by restating the balance for the fiscal year ended June 30, 2019 as follows:

	<u>Original Balance</u>	<u>Net Adjustment</u>	<u>Restated Balance</u>
Compensated Absences	\$ 127,103	\$ 88,075	\$ 39,028
Net Position	(280,587)	(88,075)	(192,512)

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and February 25, 2020, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. On December 6, 2019 the District received notice from the State of New Jersey the Districts application for emergency aid, pursuant to P.L. 2019, c. 150, had been approved in the amount of \$254,201.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 1,945,265	\$ -	\$ 1,945,265	\$ 1,945,265	\$ -
Other Local Revenue/Miscellaneous	10-1XXX	8,000	-	8,000	34,573	26,573
Total Local Sources		1,953,265	-	1,953,265	1,979,838	26,573
State Sources:						
Categorical Transportation Aid	10-3121	63,364	-	63,364	63,364	-
Categorical Special Education Aid	10-3132	100,588	-	100,588	100,588	-
Equalization Aid	10-3176	706,424	-	706,424	706,424	-
Categorical Security Aid	10-3177	16,311	-	16,311	16,311	-
Adjustment Aid	10-3178	36,904	(23,353)	13,551	13,551	-
Extraordinary Aid	10-3131	-	-	-	8,137	8,137
Other Unrestricted State Aid	10-3190	-	-	-	10,086	10,086
Nonbudgeted:						
On-Behalf TPAF:						
Normal Pension Contributions		-	-	-	190,196	190,196
Post-Retirement Medical Contributions		-	-	-	86,272	86,272
Long-Term Disability Insurance Contribution:		-	-	-	258	258
Reimbursed TPAF Social Security Contributions:		-	-	-	83,688	83,688
Total State Sources		923,591	(23,353)	900,238	1,278,875	378,637
Total Revenues		2,876,856	(23,353)	2,853,503	3,258,713	405,210
Expenditures:						
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	47,149	7,949	55,098	55,098	-
Grades 1 - 5	11-120-100-101	333,261	6,745	340,006	339,991	15
Grades 6 - 8	11-130-100-101	231,079	16,420	247,499	247,499	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	4,131	(4,131)	-	-	-
Purchased Professional - Educational Services	11-190-100-320	21,500	1,754	23,254	23,254	-
Purchased Technical Services	11-190-100-340	38,069	138	38,207	38,207	-
Other Purchased Services	11-190-100-500	5,000	3,276	8,276	8,276	-
General Supplies	11-190-100-610	25,000	(1,586)	23,414	23,841	(427)
Textbooks	11-190-100-640	25,000	3,733	28,733	28,733	-
Other Objects	11-190-100-800	10,000	(2,956)	7,044	7,044	-
Total Regular Programs - Instruction		740,189	31,342	771,531	771,943	(412)
Resource Room/Resource Center						
Salaries of Teachers	11-213-100-101	282,220	6,411	288,631	288,631	-
Other Salaries for Instruction	11-213-100-106	115,617	(18,525)	97,092	96,179	913
Total Resource Room/Resource Center		397,837	(12,114)	385,723	384,810	913
Total Special Education		397,837	(12,114)	385,723	384,810	913
Other Instruction:						
Basic Skills/Remedial						
Salaries of Teachers	11-230-100-101	35,564	11,995	47,559	47,559	-
Total Basic Skills/Remedial		35,564	11,995	47,559	47,559	-
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	4,000	7,719	11,719	11,719	-
Supplies and Materials	11-402-100-600	2,000	(1,198)	802	995	(193)
Total School Sponsored Athletics - Instruction		6,000	6,521	12,521	12,714	(193)
Other Instructional Programs - Instruction						
Salaries	11-403-100-100	19,500	-	19,500	19,391	109
Total Other Instructional Programs - Instruction		19,500	-	19,500	19,391	109
Total Instruction		1,199,090	37,744	1,236,834	1,236,417	417

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Instruction:						
Tuition to Private Schools for the Disabled - Within State	11-000-100-566	217,148	(63,284)	153,864	233,220	(79,356)
Tuition Other		-	9,362	9,362	9,362	-
Total Instruction		217,148	(53,922)	163,226	242,582	(79,356)
Attendance and Social Work						
Salaries	11-000-211-100	16,500	(1,645)	14,855	14,855	-
Total Attendance and Social Work		16,500	(1,645)	14,855	14,855	-
Health Services:						
Salaries	11-000-213-100	82,744	14,031	96,775	96,775	-
Purchased Professional & Technical Services	11-000-213-300	2,000	600	2,600	2,179	421
Supplies and Materials	11-000-213-600	1,104	500	1,604	1,600	4
Total Health Services		85,848	15,131	100,979	100,554	425
Speech, OT, PT & Related Services:						
Purchased Professional & Technical Services	11-000-216-320	20,000	5,568	25,568	38,983	(13,415)
Total Speech, OT, PT & Related Services		20,000	5,568	25,568	38,983	(13,415)
Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	82,200	5,000	87,200	87,200	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	16,500	(2,968)	13,532	13,532	-
Total Child Study Team		98,700	2,032	100,732	100,732	-
Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	5,000	(5,000)	-	-	-
Supplies and Materials	11-000-221-600	-	4,391	4,391	4,391	-
Total Improvement of Instructional Services		5,000	(609)	4,391	4,391	-
Educational Media Services/School Library:						
Salaries	11-000-222-100	11,000	(1,719)	9,281	9,281	-
Purchased Professional & Technical Services	11-000-222-300	500	(215)	285	-	285
Supplies and Materials	11-000-222-600	1,500	-	1,500	-	1,500
Total Educational Media Services/School Library		13,000	(1,934)	11,066	9,281	1,785
Instructional Staff Training:						
Other Salaries	11-000-223-110	12,000	(12,000)	-	-	-
Total Instructional Staff Training		12,000	(12,000)	-	-	-
Support Services General Administration:						
Salaries	11-000-230-100	96,618	5,768	102,386	102,386	-
Legal Services	11-000-230-331	10,000	2,955	12,955	14,541	(1,586)
Audit Fees	11-000-230-332	20,000	(6,037)	13,963	31,500	(17,537)
Other Purchased Professional Services	11-000-230-339	10,000	(2,960)	7,040	7,000	40
Communications/Telephone	11-000-230-530	5,000	1,637	6,637	6,803	(166)
BOE Other Purchased Services	11-000-230-590	-	3,494	3,494	3,494	-
Miscellaneous Expenditures	11-000-230-890	1,500	(35)	1,465	818	647
Total Support Services General Administration		143,118	4,822	147,940	166,542	(18,602)
Support Services School Administration:						
Salaries of Secretarial & Clerical Assistants	11-000-240-105	-	5,223	5,223	5,223	-
Other Salaries	11-000-240-110	20,248	(20,248)	-	-	-
Other Purchased Services	11-000-240-500	3,000	(2,461)	539	169	370
Total Support Services School Administration		23,248	(17,486)	5,762	5,392	370

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services Central Services:						
Salaries	11-000-251-100	61,650	11,550	73,200	72,280	920
Miscellaneous Purchase Services	11-000-251-590	10,000	9,445	19,445	19,445	-
Supplies and Materials	11-000-251-600	500	(206)	294	269	25
Total Support Services Central Services		72,150	20,789	92,939	91,994	945
Required Maintenance for School Facilities						
Cleaning, Repair & Maintenance Services	11-000-261-420	30,600	(12,359)	18,241	19,018	(777)
General Supplies	11-000-261-610	8,160	838	8,998	9,399	(401)
Total Required Maintenance for School Facilities		38,760	(11,521)	27,239	28,417	(1,178)
Custodial Services:						
Salaries	11-000-262-100	66,244	2,236	68,480	68,480	-
Cleaning, Repair & Maintenance Services	11-000-262-420	13,000	(2,424)	10,576	11,593	(1,017)
Insurance	11-000-262-520	16,800	3,118	19,918	27,850	(7,932)
General Supplies	11-000-262-610	10,000	(2,910)	7,090	7,658	(568)
Energy (Electricity)	11-000-262-622	21,000	(23)	20,977	26,313	(5,336)
Energy (Oil)	11-000-262-624	21,000	3,074	24,074	24,074	-
Total Custodial Services		148,044	3,071	151,115	165,968	(14,853)
Total Operation & Maintenance of Plant Services		186,804	(8,450)	178,354	194,385	(16,031)
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	4,213	14,444	18,657	18,657	-
Salaries for Pupil Transportation - Regular	11-000-270-160	58,512	12,412	70,924	70,924	-
Salaries for Pupil transportation - Special Ed	11-000-270-161	35,328	26,873	62,201	79,201	(17,000)
Other Purchased Professional Services	11-000-270-390	-	3,384	3,384	7,238	(3,854)
Cleaning, Repair, and Maintenance Services	11-000-270-420	10,000	(4,159)	5,841	5,841	-
Lease Purchase Payments	11-000-270-443	41,500	(223)	41,277	40,783	494
General Supplies	11-000-270-610	24,000	(905)	23,095	29,973	(6,878)
Total Student Transportation Services		173,553	51,826	225,379	252,617	(27,238)
Unallocated Benefits - Employee Benefits						
Social Security Contributions	11-100-291-220	50,400	(5,000)	45,400	45,344	56
Other Retirement Contributions - PERS	11-100-291-241	49,500	(8,954)	40,546	40,546	-
Other Retirement Contribution - ERIP	11-100-291-242	-	29	29	-	29
Other Retirement Contributions - Deferred Pension	11-100-291-248	1,700	(1,700)	-	-	-
Unemployment Compensation	11-100-291-250	8,000	(8,000)	-	-	-
Workmen's Compensation	11-100-291-260	30,000	1,371	31,371	31,371	-
Health Benefits	11-xxx-xxx-270	420,038	(70,621)	349,417	336,656	12,761
Tuition Reimbursement	11-100-291-280	12,000	(11,220)	780	780	-
Other Employee Benefits	11-100-291-290	10,000	13,823	23,823	23,823	-
Total Unallocated Benefits - Employee Benefits		581,638	(90,272)	491,366	478,520	12,846
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	190,196	(190,196)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	86,272	(86,272)
On-Behalf TPAF Long-Term Disability Insurance Contributions		-	-	-	258	(258)
Reimbursed TPAF Social Security Contributions		-	-	-	83,688	(83,688)
Total Undistributed Expenditures		1,648,707	(86,150)	1,562,557	2,061,242	(498,685)
Transfers to Cover Deficit (Enterprise Fund)	11-000-310-930	29,059	25,368	54,427	43,409	11,018
Total Undistributed Expenditures - Food Service		29,059	25,368	54,427	43,409	11,018

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Expenditures - Current Expense	2,876,856	(23,038)	2,853,818	3,341,068	(487,250)
Total Expenditures	2,876,856	(23,038)	2,853,818	3,341,068	(487,250)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	(315)	(315)	(82,355)	(82,040)
Fund Balances, July 1	13,684	-	13,684	13,684	-
Fund Balances, June 30	<u>\$ 13,684</u>	<u>\$ (315)</u>	<u>\$ 13,369</u>	<u>\$ (68,671)</u>	<u>\$ (82,040)</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>\$ 315</u>
Total Budget Transfers	<u><u>\$ 315</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 1
Unassigned Fund Balance	<u>(68,672)</u>
Subtotal	<u>(68,671)</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payment Not Recognized on GAAP Basis	<u>(90,023)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ (158,694)</u></u>

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	JUNE 30, 2019			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
REVENUES				
Federal Sources	\$ 43,300	\$ 10,905	\$ 54,205	\$ 54,205
Total Revenues	43,300	10,905	54,205	54,205
EXPENDITURES:				
Instruction:				
Salaries	27	11,626	11,653	11,653
Tuition	-	-	-	-
General Supplies	-	-	-	-
Total Instruction	27	11,626	11,653	11,653
Support Services:				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Professional/Technical Services	33,337	6,149	39,486	39,486
Supplies	-	-	-	-
Other Purchased Services	9,936	(6,870)	3,066	3,066
Total Support Services	43,273	(721)	42,552	42,552
Total Expenditures	43,300	10,905	54,205	54,205
Total Outflows	43,300	10,905	54,205	54,205
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 3,258,713	\$ 54,205
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	90,887	-
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(90,023)	-
	(90,023)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 3,259,577	\$ 54,205
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 3,341,068	\$ 54,205
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 3,341,068	\$ 54,205

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST SIX FISCAL YEARS***

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00361%	0.00490%	0.00537%	0.00535%	0.00611%	0.00489%
School District's proportionate share of the net pension liability	\$ 710,458	\$ 1,140,987	\$ 1,589,963	\$ 1,200,507	\$ 1,143,642	\$ 934,319
School District's covered payroll	\$ 361,024	\$ 400,280	\$ 375,500	\$ 350,852	\$ 365,024	\$ -
School District's proportionate share of the net pension liability as a percentage of its covered payroll	196.79%	285.05%	423.43%	342.17%	313.31%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST SIX FISCAL YEARS**

	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 35,891	\$ 45,407	\$ 47,692	\$ 45,978	\$ 50,356	\$ 36,835
Contributions in relation to the contractually required contribution	(35,891)	(45,407)	(47,692)	(45,978)	(50,356)	(36,835)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 210,109	\$ 400,280	\$ 375,500	\$ 350,852	\$ 365,024	\$ -
Contributions as a percentage of covered payroll	17.08%	11.34%	12.70%	13.10%	13.80%	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST SIX FISCAL YEARS***

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	5,751,301	6,035,364	6,632,406	4,897,473	4,891,615	4,222,756
School District's covered payroll	\$ 5,751,301	\$ 6,035,364	\$ 6,632,406	\$ 4,897,473	\$ 4,891,615	\$ 4,222,756
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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS
(GASB 75)**

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EXHIBIT M-1

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST TWO FISCAL YEARS***

	2019	2018
Total OPEB Liability Associated with the District		
Service Cost	\$ 257,712	\$ 310,030
Interest Cost	296,932	255,250
Difference Between Expected and Actual Differences	(842,328)	-
Changes of Assumptions	(788,465)	(995,742)
Contributions: Member	6,350	6,929
Gross Benefit Payments	(183,724)	(188,178)
	(1,253,523)	(611,711)
Net Change in Total OPEB Liability Associated with the District		
Total Associated OPEB Liability (Beginning)	8,124,381	8,736,092
Total Associated OPEB Liability (Ending)	\$ 6,870,858	\$ 8,124,381
District's Covered Employee Payroll	\$ 1,565,588	\$ 1,252,736
Net Associated OPEB Liability as a Percentage of Payroll	439%	649%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2019**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.25% as of June 30, 2017, to 4.86% as of June 30, 2018.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.00% as of June 30, 2017, to 5.66% as of June 30, 2018.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	TITLE I	TITLE IIA	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	TOTALS
Revenues:					
Federal Sources	\$ 11,653	\$ 3,066	\$ 3,625	\$ 35,861	\$ 54,205
Total Revenues	\$ 11,653	\$ 3,066	\$ 3,625	\$ 35,861	\$ 54,205
Expenditures:					
Instruction:					
Salaries	\$ 11,653	\$ -	\$ -	\$ -	\$ 11,653
Total Instruction	11,653	-	-	-	11,653
Support Services:					
Purchased Professional - Technical Services	-	-	3,625	35,861	39,486
Other Purchased Services	-	3,066	-	-	3,066
Total Support Services	-	3,066	3,625	35,861	42,552
Total Expenditures	\$ 11,653	\$ 3,066	\$ 3,625	\$ 35,861	\$ 54,205

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G. Proprietary Funds

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Enterprise Funds

(See Exhibits B-4, B-5, B-6)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019**

ASSETS	AGENCY FUNDS		
	STUDENT ACTIVITY	PAYROLL	2019
Assets:			
Cash & Cash Equivalents	\$ 235	\$ 2,058	\$ 2,293
Total Assets	235	2,058	2,293
LIABILITIES			
Liabilities:			
Payroll Deductions & Withholdings	-	2,058	2,058
Due to Student Groups	235	-	235
Total Liabilities	235	2,058	2,293
NET POSITION			
Reserved	-	-	-
Total Net Position	\$ -	\$ -	\$ -

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BALANCE JULY 1, 2018	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2019
Chatsworth Elementary School	\$ 1,036	\$ 3,852	\$ 4,653	\$ 235
Total Student Activity	<u>\$ 1,036</u>	<u>\$ 3,852</u>	<u>\$ 4,653</u>	<u>\$ 235</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ASSETS	BALANCE JULY 1, 2018	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2019
Cash & Cash Equivalents	\$ 14,659	\$ 1,969,356	\$ 1,981,957	\$ 2,058
Total Assets	<u>\$ 14,659</u>	<u>\$ 1,969,356</u>	<u>\$ 1,981,957</u>	<u>\$ 2,058</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 10,630	\$ 809,403	\$ 817,975	\$ 2,058
Interfund Payable	4,029	-	4,029	-
Net Payroll	-	1,159,953	1,159,953	-
Total Liabilities	<u>\$ 14,659</u>	<u>\$ 1,969,356</u>	<u>\$ 1,981,957</u>	<u>\$ 2,058</u>

I. Long-Term Debt

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**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ISSUE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE PAYABLE	BALANCE JULY 1, 2018	ISSUED	RETIRED	CANCELLED	BALANCE JUNE 30, 2019
			PRINCIPAL	INTEREST						
15 Passenger Bus	2/26/2016	5 YEARS	\$ 58,132	\$ 4,148	3.570%	\$ 23,639	\$ -	\$ 11,612	\$ -	\$ 12,027
Two 54 Passenger Buses	9/5/2017	5 YEARS	185,305	15,447	3.10%	157,089	-	-	157,089	-
Total						\$ 180,728	\$ -	\$ 11,612	\$ 157,089	\$ 12,027

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STATISTICAL SECTION (Unaudited)

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TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,137,099	\$ 1,096,938	\$ 1,193,353	\$ 1,049,550	\$ 1,112,413	\$ 713,560	\$ 785,358	\$ 857,156	\$ 928,954	\$ 995,256
Restricted	1	1	1	1	135,001	135,001	134,500	124,468	141,569	93,780
Unrestricted	(1,328,492)	(1,377,526)	(1,332,419)	(1,121,564)	(1,173,026)	11,601	40,324	95,991	122,428	123,447
Total Governmental Activities										
Net Position	\$ (191,392)	\$ (280,587)	\$ (139,065)	\$ (72,013)	\$ 74,388	\$ 860,162	\$ 960,182	\$ 1,077,614	\$ 1,192,950	\$ 1,212,482
Business-Type Activities:										
Net Investment in Capital Assets	\$ 6,582	\$ 7,610	\$ 8,638	\$ 6,275	\$ 7,432	\$ 8,654	\$ 9,940	\$ 11,226	\$ 10,161	\$ 10,322
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,890	(9,124)	(1,834)	(5,830)	(5,083)	(3,348)	(2,995)	(5,863)	(2,784)	(1,383)
Total Business-Type Activities										
Net Position	\$ 11,472	\$ (1,514)	\$ 6,804	\$ 445	\$ 2,349	\$ 5,307	\$ 6,945	\$ 5,363	\$ 7,376	\$ 8,938
Government-Wide:										
Net Investment in Capital Assets	\$ 1,143,681	\$ 1,104,549	\$ 1,201,991	\$ 1,055,825	\$ 1,119,846	\$ 722,215	\$ 795,298	\$ 868,382	\$ 939,114	\$ 1,005,577
Restricted	1	1	1	1	135,001	135,001	134,500	124,468	141,569	93,780
Unrestricted	(1,323,602)	(1,386,650)	(1,334,253)	(1,127,394)	(1,178,109)	8,254	37,328	90,127	119,644	122,064
Total District Net Position										
Net Position	\$ (179,920)	\$ (282,100)	\$ (132,261)	\$ (71,568)	\$ 76,738	\$ 865,470	\$ 967,127	\$ 1,082,977	\$ 1,200,327	\$ 1,221,421

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 783,596	\$ 1,014,334	\$ 1,050,154	\$ 1,107,041	\$ 1,184,556	\$ 1,134,666	\$ 1,140,582	\$ 1,047,383	\$ 1,073,119	\$ 942,961
Special	384,810	466,545	357,610	300,297	309,599	226,625	196,832	189,902	179,115	194,281
Other	79,664	91,311	56,093	71,941	47,284	52,996	47,163	71,224	56,465	71,351
Support Services:										
Tuition	242,582	199,988	217,929	159,929	107,068	30,857	49,010	92,382	97,259	19,417
Student & Instruction Related Services	311,348	255,135	343,744	307,888	292,789	261,091	250,116	204,330	219,657	216,256
General & Business Administrative Services	166,542	301,750	323,628	278,851	259,440	241,467	272,342	191,448	242,740	231,150
School Administrative Services	5,392	20,354	9,395	6,221	22,322	13,310	12,903	82,193	18,547	17,192
Central Services	91,994	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	194,385	249,858	245,588	305,569	315,951	313,026	313,638	269,755	294,772	310,516
Pupil Transportation	241,005	192,261	222,965	177,459	185,622	170,578	128,971	173,359	132,731	147,983
Business & Other Support Services	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	702,315	1,146,806	987,472	657,641	604,642	311,124	278,485	288,766	227,352	252,103
On-Behalf TPAF Pension & Soc. Sec. Contributions	418,969	-	-	-	-	-	-	-	-	-
Interest and Other Charges	(3,862)	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	132,403	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	3,751,143	3,938,342	3,814,578	3,372,837	3,329,273	2,755,740	2,690,041	2,610,740	2,541,756	2,403,211
Business-Type Activities:										
Food Service	\$ 72,785	\$ 82,103	\$ 66,423	\$ 89,101	\$ 95,884	\$ 80,646	\$ 77,786	\$ 81,104	\$ 78,596	\$ 78,375

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Business-Type Activities Expense	72,785	82,103	66,423	89,101	95,884	80,646	77,786	81,104	78,596	78,375
Total District Expenses	\$ 3,823,928	\$ 4,020,445	\$ 3,881,001	\$ 3,461,938	\$ 3,425,157	\$ 2,836,386	\$ 2,767,827	\$ 2,691,844	\$ 2,620,352	\$ 2,481,586
Revenues:										
Instruction (tuition)				13,336.00						
Operating Grants & Contributions	\$ 739,420	\$ 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
Total Governmental Activities Program Revenues	739,420	1,012,698	741,837	544,373	495,837	275,312	273,171	230,273	225,087	213,998
Business-Type Activities: Charges for Services:										
Charges for Services										
Food Service	24,179	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
Capital Grants and Contributions				4,838.07						
Operating Grants & Contributions	18,183	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
Total Business Type Activities Program Revenues	42,362	45,988	39,947	39,413	46,223	44,372	49,749	48,972	46,703	46,939
Total District Program Revenues	\$ 781,782	\$ 1,058,686	\$ 781,784	\$ 583,785	\$ 542,060	\$ 319,684	\$ 322,920	\$ 279,245	\$ 271,790	\$ 260,937

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net/(Expense)/Revenue:										
Governmental Activities	\$ (3,011,723)	\$ (2,925,644)	\$ (3,072,741)	\$ (2,828,464)	\$ (2,833,437)	\$ (2,480,428)	\$ (2,416,870)	\$ (2,380,467)	\$ (2,316,669)	\$ (2,189,213)
Business-Type Activities	(30,423)	(36,115)	(26,476)	(49,688)	(49,661)	(36,275)	(28,037)	(32,132)	(31,893)	(31,436)
Total District-Wide Net Expense	\$ (3,042,146)	\$ (2,961,759)	\$ (3,099,217)	\$ (2,878,152)	\$ (2,883,097)	\$ (2,516,702)	\$ (2,444,907)	\$ (2,412,599)	\$ (2,348,562)	\$ (2,220,649)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriations	\$ 1,945,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes levied for general purposes	1,882,055	1,845,152	1,845,152	1,777,712	1,645,292	1,508,340	1,436,788	1,368,673	1,458,674	1,423,817
Cancellation of a Payable	-	-	-	-	-	-	-	-	-	2,298
Unrestricted Grants & Contributions	919,325	915,579	918,653	915,852	912,309	904,720	889,407	922,556	862,546	876,974
Donated Assets	-	-	259,842	5,850	470,599	-	-	-	-	261,013
Investment Earnings	-	-	-	190	484	1,970	2,815	3,899	4,336	3,728
Miscellaneous Income	34,573	14,285	14,877	30,243	-	-	25	83	1,845	110
Other Financing Sources - Transfers, Miscellaneous / Other	113,680	(27,797)	(32,835)	(47,783)	(46,703)	(34,621)	(29,598)	(30,079)	(30,264)	(26,649)
Total Governmental Activities	3,012,843	2,784,122	3,005,689	2,682,064	2,981,981	2,380,409	2,299,437	2,265,132	2,297,137	2,541,292
Business-type Activities	43,409	27,797	32,835	47,783	46,703	34,636	30,118	30,118	30,331	26,707
Total District-Wide	\$ 3,056,252	\$ 2,811,919	\$ 3,038,524	\$ 2,729,847	\$ 3,028,685	\$ 2,415,045	\$ 2,299,437	\$ 2,295,250	\$ 2,327,468	\$ 2,567,998
Change in Net Position:										
Governmental Activities	\$ 1,120	\$ (141,522)	\$ (67,052)	\$ (146,401)	\$ 148,545	\$ (100,019)	\$ (117,433)	\$ (115,336)	\$ (19,532)	\$ 352,079
Business-Type Activities	12,986	(8,318)	6,359	(1,905)	(2,957)	(1,638)	(28,037)	(2,013)	(1,562)	(4,729)
Total District	\$ 14,106	\$ (149,840)	\$ (60,693)	\$ (148,305)	\$ 145,588	\$ (101,658)	\$ (145,470)	\$ (117,349)	\$ (21,094)	\$ 347,350

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Restricted for:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,470.17
Capital Reserve	1	1	1	1	1	1	34,500	56,635	115,909	-
Excess Surplus Designated for										
Subsequent Year's Expenditures	-	-	-	-	-	-	-	-	-	260,310
Assigned for:										
Other Purposes	-	315	-	50,000	135,000	135,000	100,000	67,833	25,660	-
Subsequent Year's Budget	-	-	-	-	-	-	-	-	-	-
Unassigned (Deficit)	(158,695)	(77,519)	(77,230)	(5,091)	(29,360)	95,200	141,583	198,947	226,298	-
Total General Fund	\$ (158,694)	\$ (77,203)	\$ (77,229)	\$ 44,910	\$ 105,641	\$ 230,201	\$ 276,083	\$ 323,415	\$ 367,867	\$ 343,780

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Tax Levy	\$ 1,945,265	\$ 1,882,055	\$ 1,845,152	\$ 1,777,712	\$ 1,645,292	\$ 1,508,340	\$ 1,436,788	\$ 1,368,673	\$ 1,458,674	\$ 1,423,817
Miscellaneous	34,573	14,285	14,877	43,769	484	1,970	2,840	3,982	6,182	3,838
State Sources	1,279,739	1,219,837	1,181,945	1,137,930	1,093,158	1,081,016	1,080,362	1,055,060	999,984	874,716
Federal Sources	54,205	54,480	80,898	93,665	93,665	99,016	82,217	97,769	87,649	216,256
Total Revenue	3,313,782	3,170,657	3,122,872	2,959,410	2,832,599	2,690,341	2,602,207	2,525,483	2,552,488	2,518,627
Expenditures:										
Instruction:										
Regular Instruction	783,596	917,314	976,372	1,053,874	1,096,734	1,088,891	1,090,365	991,525	1,008,196	934,832
Special Education Instruction	384,810	469,184	352,463	290,302	300,433	226,625	196,832	189,902	186,399	201,565
Other Instruction	79,664	87,331	56,093	71,941	47,284	52,996	47,163	71,224	56,465	71,351
Support Services:										
Tuition	242,582	199,988	217,929	159,929	107,068	30,857	49,010	92,382	97,259	19,417
Student & Instruction Related Services	311,348	254,288	322,622	238,124	287,048	258,760	250,116	204,330	219,657	222,923
General & Business Administration Services	166,542	293,799	319,967	265,419	242,141	240,778	251,215	182,371	259,850	226,025
School Administrative Services	5,392	12,714	9,730	5,485	14,482	12,145	9,697	81,702	11,719	17,192
Central Services	91,994	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	194,385	231,657	253,515	303,214	306,737	309,281	306,801	266,620	291,638	292,551
Pupil Transportation	252,617	213,791	221,692	187,565	180,233	169,421	138,804	171,035	139,605	167,007
Other Support Services	478,520	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension & Soc. Sec. Contributions	360,414	462,769	476,954	384,863	328,295	311,850	279,937	288,766	227,352	231,969
Capital Outlay	-	185,305	4,838	69,775	-	-	-	-	-	40,608
Total Expenditures	3,351,864	3,328,139	3,212,176	3,030,490	2,910,456	2,701,603	2,619,940	2,539,856	2,498,138	2,425,441
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(38,082)	(157,482)	(89,304)	(71,080)	(77,857)	(11,261)	(17,734)	(14,373)	54,351	93,186
Other Financing Sources/(Uses):										
Lease Proceeds	-	185,305	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	(43,409)	(27,797)	(32,835)	(47,783)	(46,703)	(34,621)	(29,598)	(30,079)	(30,264)	(26,649)
Cancellation of Prior Year's Interfund Balances	-	-	-	-	-	-	-	-	-	2,298
Total Other Financing Sources/(Uses)	(43,409)	157,508	(32,835)	(47,783)	(46,703)	(34,621)	(29,598)	(30,079)	(30,264)	(24,350)
Net Change in Fund Balances	\$(81,491)	\$ 26	\$(122,139)	\$(118,863)	\$(124,560)	\$(45,882)	\$(47,332)	\$(44,452)	\$ 24,087	\$ 68,836
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District Records
 Note: Noncapital expenditures are total expenditures less capital outlay

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	PRIOR YEAR REFUNDS	PRIOR YEAR		MISCELLANEOUS	TOTAL
			OUTSTANDING CHECKS	CANCELLED		
2019	\$ -	\$ -	-	\$ -	34,573	\$ 34,573
2018	-	6,426	-	-	7,859	14,285
2017	58	-	-	-	14,819	14,877
2016	220	-	30,023	-	190	30,433
2015	349	-	-	-	135	484
2014	1,970	-	-	-	-	1,970
2013	2,815	-	-	-	25	2,840
2012	3,899	-	-	-	83	3,982
2011	4,336	-	-	-	1,845	6,182
2010	3,728	-	-	-	110	3,838

Source: District records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL DIRECT SCHOOL RATIO b	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2019	7,733,700	120,636,800	12,474,900	875,500	5,465,000	9,721,600	-	156,907,500	100	156,907,600	66,626,400	1.254	146,821,004
2018	7,861,600	120,853,500	13,411,500	-	5,814,600	9,322,000	-	157,263,200	100	157,263,300	66,579,100	1.217	149,008,438
2017	7,679,500	122,161,500	13,397,500	-	5,814,600	9,322,000	-	158,375,200	100	158,375,200	66,569,800	1.177	150,346,592
2016	7,720,800	122,904,100	13,547,600	-	5,991,600	9,322,000	-	159,486,200	100	159,486,200	66,156,500	1.135	141,388,487
2015	7,637,600	124,453,700	15,030,300	-	5,991,600	9,322,000	-	162,435,200	100	162,435,300	65,785,200	1.053	140,320,763
2014	7,964,300	124,579,100	18,464,400	-	5,991,600	9,322,000	-	166,321,400	384,423	166,705,823	65,755,900	0.946	135,572,101
2013	8,168,500	125,492,500	18,620,600	-	5,991,600	9,322,000	-	167,595,200	541,723	168,136,923	65,746,600	0.876	143,969,365
2012	8,640,600	127,411,300	18,656,900	-	6,041,600	9,322,000	-	170,072,400	614,180	170,686,580	65,296,100	0.821	160,216,574
2011	8,790,400	128,184,800	19,061,760	-	6,041,600	9,322,000	-	171,400,560	628,646	172,029,206	65,296,100	0.822	158,937,097
2010	9,356,060	129,084,800	18,282,400	-	5,692,000	9,322,000	-	171,737,260	799,641	172,536,901	65,181,300	0.835	166,649,240

Source: Abstract of Rates Burlington County, Burlington County Abstract of Rates

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 - b. Tax rates are per \$100
- N/A - Not Available

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF WOODLAND	BURLINGTON COUNTY	REGIONAL HIGH SCHOOL DISTRICT	COUNTY LIBRARY	COUNTY OPEN SPACE	
2019	1.254	0.000	1.254	0.299	0.315	0.587	0.000	0.000	2.455
2018	1.217	0.000	1.217	0.078	0.378	0.598	0.000	0.000	2.271
2017	1.117	0.000	1.117	0.078	0.385	0.548	0.000	0.000	2.128
2016	1.135	0.000	1.135	0.078	0.361	0.518	0.000	0.000	2.092
2015	1.053	0.000	1.053	0.078	0.359	0.471	0.000	0.000	1.961
2014	0.946	0.000	0.946	0.077	0.309	0.375	0.000	0.000	1.707
2013	0.876	0.000	0.876	0.078	0.322	0.362	0.000	0.000	1.638
2012	0.821	0.000	0.821	0.078	0.357	0.434	0.000	0.000	1.690
2011	0.822	0.000	0.822	0.079	0.351	0.456	0.000	0.000	1.708
2010	0.835	0.000	0.835	0.059	0.368	0.462	0.000	0.000	1.724

Source: Burlington County Board of Taxation

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2019		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
WARD SAND AND MATERIAL CO	\$ 6,330,000	1	4.03%
WOODLAND SAND CO	2,232,500	2	1.42%
OCEAN SPRAY CRANBERRIES	2,022,600	3	1.30%
SHORE STONE CO	1,750,000	4	1.11%
HOMEOWNER	914,900	5	0.73%
AIR TIME INC.	854,200	6	0.55%
HOMEOWNER	721,600	7	0.54%
HOMEOWNER	623,800	8	0.46%
HOMEOWNER	590,600	9	0.46%
HOMEOWNER	550,000	10	0.38%
Total			

TAXPAYER	2010		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
OCEAN SPRAY CRANBERRIES	\$ 6,900,000	1	4.02%
WARD SAND AND MATERIAL CO	6,330,000	2	3.69%
SHORE STONE CO	1,750,000	3	1.02%
WOODLAND SAND CO	1,057,500	4	0.62%
VERIZON	757,200	5	0.44%
AIR TIME INC.	672,100	6	0.39%
HOMEOWNER	595,200	7	0.35%
HOMEOWNER	580,000	8	0.34%
HOMEOWNER	572,400	9	0.33%
HOMEOWNER	555,800	10	0.32%
Total			

Source: Municipal Tax Assessor

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2019	\$ 1,945,265	\$ 1,945,265	100.00%	-
2018	1,882,055	\$ 1,882,055	100.00%	-
2017	1,845,152	\$ 1,845,152	100.00%	-
2016	1,777,712	\$ 1,777,712	100.00%	-
2015	1,645,292	\$ 1,645,292	100.00%	-
2014	1,508,340	\$ 1,508,340	100.00%	-
2013	1,436,788	\$ 1,436,788	100.00%	-
2012	1,368,673	\$ 1,368,673	100.00%	-
2011	1,458,674	\$ 1,458,674	100.00%	-
2010	1,423,817	\$ 1,423,817	100.00%	-

Source: Municipal Financial Statements

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2019	\$ -	\$ 12,027	\$ 12,027	N/A	N/A
2018	-	\$ 180,728	180,728	N/A	N/A
2017	-	\$ 34,851	34,851	N/A	19.63
2016	-	\$ 45,676	45,676	0.05%	25.69
2015	-	N/A	-	N/A	N/A
2014	-	N/A	-	N/A	N/A
2013	-	N/A	-	N/A	N/A
2012	-	N/A	-	N/A	N/A
2011	-	N/A	-	N/A	N/A
2010	-	9,121	9,121	0.01%	5.12

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

a. See Exhibit J-14 for personal income and population data.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2019	\$ -	\$ -		\$ -	0.00%	N/A
2018	0	-		-	0.00%	N/A
2017	0	-		-	0.00%	N/A
2016	0	-		-	0.00%	N/A
2015	0	-		-	0.00%	N/A
2014	0	-		-	0.00%	N/A
2013	0	-		-	0.00%	N/A
2012	0	-		-	0.00%	N/A
2011	0	-		-	0.00%	N/A
2010	0	-		-	0.00%	N/A

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Woodland	\$ 132,211	100.000%	\$ 132,211
Burlington County General Obligation Debt	253,458,314	0.319%	808,532
Lenape Regional High School	46,010,000	0.778%	357,957.80
Subtotal, Overlapping Debt			1,298,701
Woodland Township School District Direct Debt			-
Total Direct & Overlapping Debt			\$ 1,298,701

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 4,407,435	\$ 4,454,058	\$ 4,390,819	\$ 4,239,037	\$ 4,254,484	\$ 4,427,102	\$ 4,651,066	\$ 4,844,480	\$ 4,967,737	\$ 5,103,081
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 4,407,435	\$ 4,454,058	\$ 4,390,819	\$ 4,239,037	\$ 4,254,484	\$ 4,427,102	\$ 4,651,066	\$ 4,844,480	\$ 4,967,737	\$ 5,103,081
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis	
2018	149,008,438
2017	150,346,592
2016	141,388,487
	<u>\$ 440,743,517</u>
Average Equalized Valuation of Taxable Property	<u>\$ 146,914,506</u>
Debt Limit (3 % of Average Equalization Value) Authorized but Not Issued Debt	\$ 4,407,435
Net Bonded School Debt	<u>-</u>
Legal Debt Margin	<u>\$ 4,407,435</u>

Source:
 Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A. 18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2019	1,769	Unavailable	Unavailable	3.8%
2018	1,775	Unavailable	Unavailable	4.2%
2017	1,778	101,011,736	56,812	5.2%
2016	1,782	98,635,482	55,351	5.9%
2015	1,786	94,377,598	52,843	6.8%
2014	1,785	91,277,760	51,136	5.5%
2013	1,790	90,822,810	50,739	11.1%
2012	1,789	88,907,933	49,697	10.7%
2011	1,783	85,557,255	47,985	11.0%
2010	1,351	64,265,719	47,569	10.3%

Source:

- (a) Population information provided by the NJ Department of Labor & Workforce Development
- (b) Personal income calculated using population and per capita personal income
- (c) Per Capita personal income provided by the NJ Department of Labor & Workforce Development
- (d) Unemployment data provided by the NJ Department of Labor & Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2019		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Woodland Township School District	INFORMATION NOT AVAILABLE		
Total			
	2010		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Woodland Township School District	INFORMATION NOT AVAILABLE		
Total			

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

FUNCTION/PROGRAM	<u>2019</u>	<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>
Instruction:										
Regular	13.0	14.0	13.0	15.0	15.0	15.0	15.0	13.0	15.0	14.0
Special Education	5.0	5.0	5.0	3.0	3.0	2.0	5.0	3.0	3.0	3.0
Other Special Education	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instructional Related Services	4.0	6.0	7.0	5.0	4.0	3.0	1.0	3.0	3.0	5.0
School Administration Services	-	-	-	-	-	-	-	1.0	-	-
General & Business Administrative Services	2.0	2.0	1.0	1.0	1.0	1.0	1.0	-	1.0	1.0
Plant Operations & Maintenance	1.5	2.0	2.0	2.0	2.0	2.0	3.0	3.0	2.0	2.0
Pupil Transportation	0.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Business & Other Support Services	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service	1.5	2.0	2.0	2.0	2.0	2.0	-	-	-	-
Other	-	-	1.00	3.00	3.00	3.00	2.00	2.00	2.00	1.00
Total	28.00	35.00	34.00	34.00	33.00	31.00	30.00	28.00	30.00	30.00

Source: District Records

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	TEACHER / PUPIL RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2019	131	\$ 3,341,068	\$ 25,504	9.55%	18	8.1	129.0	121.0	-1.53%	93.80%
2018	135	3,142,834	23,280	3.80%	22	6.1	131.0	123.0	-10.27%	93.89%
2017	143	3,207,337	22,429	18.18%	22	6.5	146.0	138.0	-3.95%	94.52%
2016	156	2,960,716	18,979	1.73%	20	7.8	152.0	144.0	-1.30%	94.74%
2015	156	2,910,497	18,657	2.90%	20	7.8	154.0	145.0	6.21%	94.16%
2014	149	2,701,603	18,132	8.65%	18	8.3	145.0	137.0	-4.61%	94.48%
2013	157	2,619,940	16,688	1.84%	18	9.0	152.0	145.0	5.56%	95.39%
2012	155	2,539,856	16,386	-2.92%	16	9.7	144.0	137.0	-3.36%	95.14%
2011	148	2,498,138	16,879	4.04%	16	9.3	149.0	141.0	-0.67%	94.63%
2010	147	2,384,833	16,223	7.42%	17	8.6	150.0	142.0	0.12%	94.67%

Source: District Records

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Elementary Schools:										
Woodland Elementary	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Square Feet	225	225	225	225	225	225	225	225	225	225
Capacity (Students)	131	135	143	156	156	149	157	155	148	147
Enrollment										

Number of Schools at June 30, 2019:
Elementary = 1

Source: District Facilities Office Enrollment Data
Form M-1 (Building Square Footage)

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	TOTAL
*											
Elementary School	\$ 19,018	\$ 31,342	\$ 47,333	\$ 95,445	\$ 111,250	\$ 94,615	\$ 92,512	\$ 86,915	\$ 77,443	\$ 87,960	\$ 743,834
Total	\$ 19,018	\$ 31,342	\$ 47,333	\$ 95,445	\$ 111,250	\$ 94,615	\$ 92,512	\$ 86,915	\$ 77,443	\$ 87,960	\$ 743,834

Source: District records

**INSURANCE SCHEDULE
JUNE 30, 2019**

School Alliance Insurance Fund (SAIF)

	COVERAGE	DEDUCTIBLE
Property	\$ 450,000,000	\$ 1,000
General Liability & Auto Liability	11,000,000	None / 1,000
Boiler and Machinery	100,000,000	1,000
Electronic Data Processing	73,000	1,000
Student Accident	1,000,000	NIL Per Student
Workers' Compensation	2,000,000	NIL Per Occurrence
Blanket Dishonesty	250,000	1,000
New Jersey Schools Insurance Group:		
School Leaders Professional Liability	1,000,000	10,000
Selective Insurance: Surety Bonds		
Treasurer of School Funds	250,000	
Business Administrator	250,000	

Source: District Insurance Agent

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township of Woodland School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Township of Woodland School District's basic financial statements, and have issued our report thereon dated February 25, 2020.

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 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified 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 to be material weaknesses as finding no.'s 2019-001 and 2019-002.

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 deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies as finding no.'s 2019-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Office of School Finance, Department of Education, State of New Jersey as finding no.'s 2019-001 and 2019-004.

We also noted certain immaterial instances of noncompliance that are not required to be reported under *Governmental Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, that we reported to management in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated February 25, 2020.

The Township of Woodland School District's Response to Findings

The 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 School District'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 Office of School Finance, Department of Education, State of New Jersey, and federal 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,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
February 25, 2020

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EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

We have audited the Township of Woodland School District’s compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2019. 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; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion

As described in the accompanying schedule of findings and questioned costs, the Township of Woodland School District did not comply with requirements regarding State Aid Public as described in finding no. 2019-003 for special tests and provisions. Compliance with such requirements is necessary, in our opinion, for the School District 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 paragraph, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the State Aid Public for the year ended June 30, 2019.

Unmodified Opinion on Each of the Other Compliance Requirements on Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, 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 finding no's. 2019-001 and 2019-004. Our opinion on each major state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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 as items 2019-003 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.

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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
February 25, 2020

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TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) 2019	UNEARNED REVENUE 2019	DUE TO GRANTOR 2019
U.S. Department of Agriculture													
Passed Through New Jersey Department of Agriculture:													
Child Nutrition Cluster:													
National School Lunch Program	10.555	19INJ304N1099	N/A	13,522	7/1/18-6/30/19	-	11,167	(13,522)	-	-	(2,355)	-	-
National School Lunch Program	10.555	18INJ304N1099	N/A	14,099	7/1/17-6/30/18	(1,136)	1,136	-	-	-	-	-	-
National School Breakfast Program	10.553	19INJ304N1099	N/A	742	7/1/18-6/30/19	-	592	(742)	-	-	(150)	-	-
National School Breakfast Program	10.553	18INJ304N1099	N/A	234	7/1/17-6/30/18	(134)	134	-	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	19INJ304N1099	N/A	2,823	7/1/18-6/30/19	-	2,823	(2,823)	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	18INJ304N1099	N/A	3,884	7/1/17-6/30/18	656	-	(656)	-	-	-	-	-
Total Child Nutrition Cluster						(614)	15,852	(17,743)	-	-	(2,505)	-	-
Total U.S. Department of Agriculture													
						(614)	15,852	(17,743)	-	-	(2,505)	-	-
U.S. Department of Education													
Passed Through New Jersey Department of Education:													
I.D.E.A. Part B (Special Education Cluster):													
Basic	84.027	H027A180100	IDEA - 2960 - 18	35,861	7/1/18-6/30/19	-	-	(35,861)	-	-	(35,861)	-	-
Subtotal						-	-	(35,861)	-	-	(35,861)	-	-
Preschool	84.173	H173A180114	IDEA - 2960 - 18	3,625	7/1/18-6/30/19	-	-	(3,625)	-	-	(3,625)	-	-
Subtotal						-	-	(3,625)	-	-	(3,625)	-	-
Total Special Education Cluster						-	-	(39,486)	-	-	(39,486)	-	-
No Child Left Behind (N.C.L.B.):													
Title I - Part A	84.010	S010A180030	NCLB - 2960 - 18	11,653	7/1/18-6/30/19	-	-	(11,653)	-	-	(11,653)	-	-
Subtotal						-	-	(11,653)	-	-	(11,653)	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A180029	NCLB - 2960 - 18	3,066	7/1/18-6/30/19	-	-	(3,066)	-	-	(3,066)	-	-
Subtotal						-	-	(3,066)	-	-	(3,066)	-	-
Title VI Part B (R.E.A.P)	84.358	N/A	Unavailable	16,622	7/1/16-6/30/17	(10,274)	-	-	-	-	(16,622)	6,348	-
Subtotal						(10,274)	-	-	-	-	(16,622)	6,348	-
Total U.S. Department of Education						(10,274)	-	(54,205)	-	-	(70,827)	6,348	-
Total Expenditures of Federal Awards						\$ (10,888)	\$ 15,852	\$ (71,948)	\$ -	\$ -	\$ (73,332)	\$ 6,348	\$ -

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

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	MEMO		CUMULATIVE TOTAL EXPENDITURES
								BALANCE JUNE 30, 2019	ACCOUNTS RECEIVABLE	
<u>New Jersey Department of Education:</u>										
General Fund:										
State Aid-Public:										
Equalization Aid	495-034-5120-078	\$ 706,424	7/1/18-6/30/19	\$ -	\$ 706,424	\$ (706,424)	\$ -	\$ -	\$ 70,642	\$ 706,424
Categorical Security Aid	495-034-5120-084	16,311	7/1/18-6/30/19	-	16,311	(16,311)	-	-	1,631	16,311
Adjustment Aid	495-034-5120-085	13,551	7/1/18-6/30/19	-	13,551	(13,551)	-	-	1,355	13,551
Special Education Categorical Aid	495-034-5120-089	100,588	7/1/18-6/30/19	-	100,588	(100,588)	-	-	10,059	100,588
Total State Aid-Public				-	836,874	(836,874)	-	-	83,687	836,874
Categorical Transportation Aid	495-034-5120-014	63,364	7/1/18-6/30/19	-	63,364	(63,364)	-	-	6,336	63,364
Extraordinary Aid	100-034-5120-473	8,137	7/1/18-6/30/19	-	-	(8,137)	-	(8,137)	-	8,137
Extraordinary Aid	100-034-5120-473	5,650	7/1/17-6/30/18	(5,650)	5,650	-	-	-	-	-
Other Unrestricted State Aid	Unavailable	-	7/1/18-6/30/19	-	-	(10,086)	-	(10,086)	-	10,086
Reimbursed TPAF Social Security Contributions	100-034-5094-003	83,688	7/1/18-6/30/19	-	79,496	(83,688)	-	(4,192)	-	83,688
Reimbursed TPAF Social Security Contributions	100-034-5094-003	80,089	7/1/17-6/30/18	(3,889)	3,889	-	-	-	-	-
TPAF - Post Retirement Medical Contributions (Noncash Assistance)	495-034-5094-001	86,272	7/1/18-6/30/19	-	86,272	(86,272)	-	-	-	86,272
TPAF - Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	190,196	7/1/18-6/30/19	-	190,196	(190,196)	-	-	-	190,196
TPAF - Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5094-004	258	7/1/18-6/30/19	-	258	(258)	-	-	-	258
Total General Fund				(9,539)	1,265,999	(1,278,875)	-	(22,415)	90,023	1,278,875
<u>New Jersey Department of Agriculture:</u>										
Enterprise Fund:										
National School Lunch Program	100-010-3350-023	440	7/1/18-6/30/19	-	362	(440)	-	(78)	-	440
National School Lunch Program	100-010-3350-023	1,588	7/1/17-6/30/18	(41)	41	-	-	-	-	-
Total Enterprise Fund				(41)	403	(440)	-	(78)	-	440
Total State Financial Assistance				\$ (9,580)	\$ 1,266,402	(1,279,315)	\$ -	\$ (22,493)	\$ 90,023	\$ 1,279,315
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
TPAF - Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	\$ 86,272	7/1/18-6/30/19			86,272				
TPAF - Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	190,196	7/1/18-6/30/19			190,196				
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	258	7/1/18-6/30/19			258				
Total State Financial Assistance subject to Calculation for Major Program Determination						<u>\$ (1,002,589)</u>				

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

TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Woodland School District. The School District is defined in Note 1 of the 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 New Jersey OMB's Circular 15-08, *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 is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

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.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$864 for the general fund and \$0 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures 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 Fund	\$ -	\$ 1,279,739	\$ 1,279,739
Special Revenue Fund	54,205	-	54,205
Food Service Fund	<u>17,743</u>	<u>440</u>	<u>18,183</u>
Total Awards & Financial Assistance	<u>\$ 71,948</u>	<u>\$ 1,280,179</u>	<u>\$ 1,352,127</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. Federal and State Loans Outstanding

The School District had no loan balances outstanding at June 30, 2019.

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:	
1) Material weakness(es) identified?	<input type="checkbox"/> yes <input type="checkbox"/> no
2) Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	<input type="checkbox"/> yes <input type="checkbox"/> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
------------------------------	------------------------------	--

Not Applicable

Dollar threshold used to determine Type A programs	
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input type="checkbox"/> no

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? _____ yes X no

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 OMB's Circular 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078
495-034-5120-084
495-034-5120-085
495-034-5120-089

State Aid Public:
Equalization Aid
Categorical Security Aid
Adjustment Aid
Special Education Categorical Aid

**TOWNSHIP OF WOODLAND SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

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

Finding No. 2019-001 (Prior Year 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. Travel expenditures for were improperly charged to administration and central services.
2. Student related expenditures were improperly charged to administration and central services.
3. 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.

Finding No. 2019-002 (Prior Year 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. 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.

Finding No. 2019-004 (Prior Year 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, 2019 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 as of June 30, 2019.
2. The Teacher's Pension and Annuity Fund reimbursement to the State was not filed for the fiscal year ended June 30, 2018 and has not been paid as of June 30, 2019.

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 & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

FEDERAL AWARDS

N/A – Federal single audit not required

State Financial Assistance

Finding No. 2019-003 (Prior Year Finding No. 2018-004)

Information on the State Program

State Aid – Public

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, 2019. Consequently, the general fund budget in total was over-expended by \$126,836.

Questioned Costs

None.

Context

Sixteen advertised budgetary appropriations were over-expended for a total of \$156,443. 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 \$126,836.

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.

State Financial Assistance

Finding No. 2019-003 (Prior Year Finding No. 2018-004) (Continued)

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
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 15-08-0MB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2018-001

Condition

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

Current Status

This condition has not been resolved. See finding number 2019-001.

Planned Corrective Action

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

Finding No. 2018-002

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.

Current Status

This condition has not been resolved. See finding number 2019-002.

Planned Corrective Action

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

Finding No. 2018-003

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.

Current Status

This condition has been partially resolved. See finding number 2019-004.

Finding No. 2018-004

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.

Current Status

This condition has not been resolved. See finding number 2019-003.

Planned Corrective Action

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

Finding No. 2018-005

Condition

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

Current Status

This condition has been resolved.

Finding No. 2018-006

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.

Current Status

This condition has been resolved.