

**Woodbury Heights Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

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

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2020

Prepared by:

Woodbury Heights Board of Education Administration

OUTLINE OF CAFR

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INTRODUCTORY SECTION

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

January 26, 2021

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

Dear Board Members:

The comprehensive annual financial report of the Woodbury Heights School District (District) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of State and Local Governments," and the New Jersey State OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Woodbury Heights School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Woodbury Heights Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Kindergarten through six. These include regular, as well as special education for handicapped students.

The District finished the 2019-20 fiscal school year with a resident enrollment of 245 students, which is an increase of ten (10) students enrolled from the previous year.

1) REPORTING ENTITY AND ITS SERVICES (CONTINUED):

	<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2019-2020	245.3	4.40%
2018-2019	235.0	2.00%
2017-2018	231.3	2.21%
2016-2017	226.2	0.87%
2015-2016	224.2	1.77%
2014-2015	220.3	3.09%
2013-2014	213.7	-4.38%
2012-2013	223.5	2.66%
2011-2012	217.7	-1.23%

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

3) MAJOR INITIATIVES: During the 2019-2020 school year, the Woodbury Heights School staff focused on three District objectives: 1) to build capacity of all teachers in aligning their lesson plans and assessments with the Next Generation Science Standards; 2) to develop a school-wide, standardized writing plan, including common vocabulary and strategies, across all grade levels and subject areas; and 3) to increase integration of technology applications and initiatives into daily practice to improve instructional practice and student achievement. To achieve these objectives, the District supports the following allocation of resources: professional development and release time for curriculum alignment and development in the areas of science and writing. Measures of Academic Progress (MAP) testing continues to be purchased for student benchmark assessment. The District continues to employ the services of a technology coach to work with classroom teachers. Chrome book and iPad purchases enable students to integrate technology into every subject area.

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

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

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District 4) are protected from loss, theft or misuse, and to ensure that adequate accounting data is

4) INTERNAL ACCOUNTING CONTROLS (CONTINUED): compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

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

7) DEBT ADMINISTRATION: At June 30, 2020, the District's outstanding debt issues included \$182,516 of General Obligation Bonds.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the Woodbury Heights Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), “Audits of State and Local Governments,” and the 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 general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

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

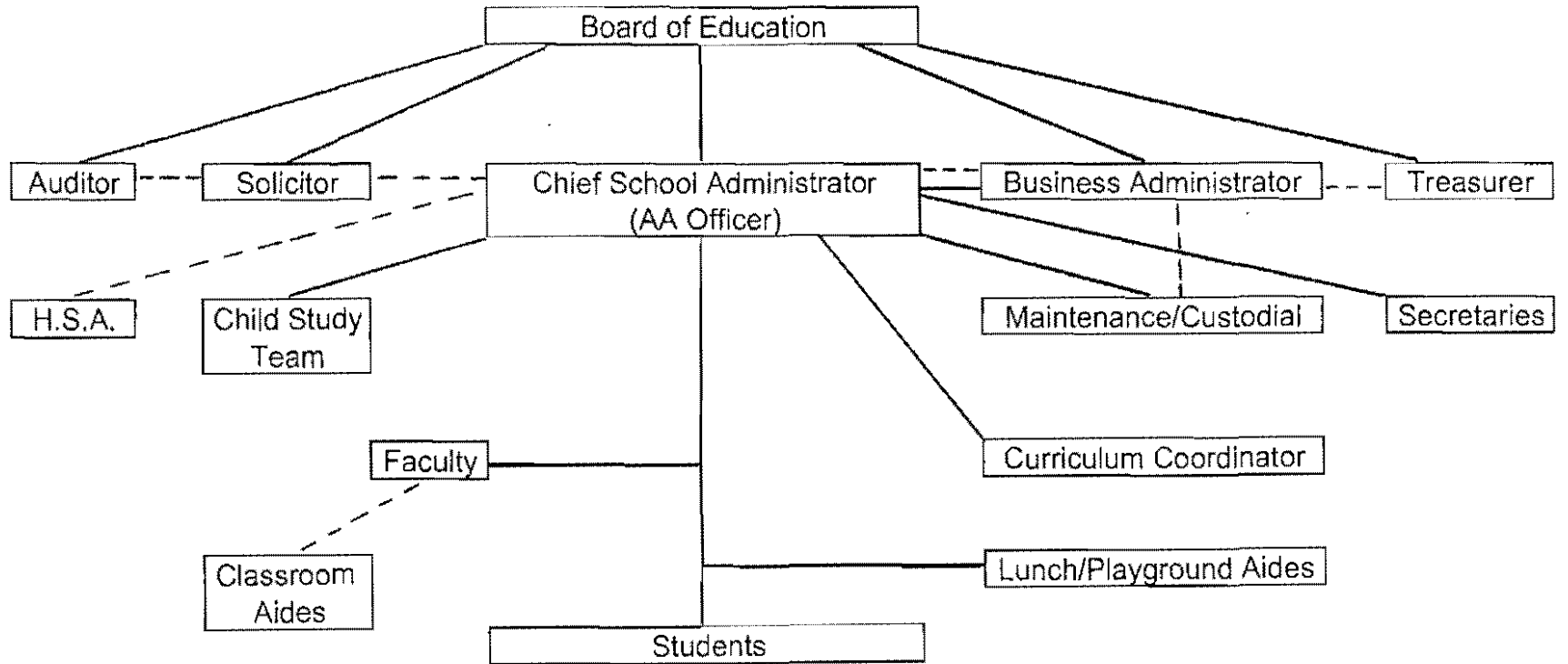
Respectfully submitted,

Robert Goldschmidt
Robert Goldschmidt
Chief School Administrator

Christopher M. Rodia
Christopher M. Rodia
School Business Administrator/
Board Secretary

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

ORGANIZATIONAL CHART



Direct Responsibility _____
Cooperative Responsibility - - - - -

WOODBURY HEIGHTS BOARD OF EDUCATION
Woodbury Heights, NJ 08097

ROSTER OF OFFICIALS
June 30, 2020

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

James Kelleher, President	2021
John Morris, Vice President	2020
Donnetta Beatty	2020
Jeffrey Brenner	2021
Richard Gambale	2022
Shelle McGovern	2020
Stephanie Robinson	2022

OTHER OFFICIALS

Robert Goldschmidt, Chief School Administrator
Christopher M. Rodia, School Business Administrator/Board Secretary
Charles Owens, Treasurer
Joseph F. Betley, Esq., Solicitor

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

CONSULTANTS AND ADVISORS

AUDIT FIRM

Petroni & Associates LLC
P.O. Box 279
Glassboro, NJ 08028

ATTORNEY

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

OFFICIAL DEPOSITORY

1st Colonial Community Bank
321 Broadway
Westville, NJ 08093

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Woodbury Heights School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Woodbury Heights Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

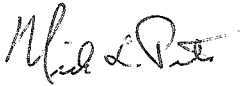
and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2021, on our consideration of the Woodbury Heights Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Woodbury Heights Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

January 26, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

WOODBURY HEIGHTS SCHOOL DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of Woodbury Heights School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Overview of the Financial Statements

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

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

Financial Highlights

Key financial highlights for 2020 are as follows:

- * General revenues accounted for \$5,083,087 in revenue or 91 percent of all revenues.
- * Program specific revenues, in the form of charges for services, grants, and contributions accounted for \$488,900 or 9 percent of total revenues of \$5,571,987.
- * The School District had \$5,500,170 in expenses; only \$488,900 of these expenses were offset by program specific charges for services, grants or contributions.
- * Among governmental funds, the General Fund had \$4,434,711 in revenues and the General Fund's fund balance increased \$49,175 over 2019.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

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

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to

Governmental Funds (Continued)

cash. The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

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

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net position for 2020, with comparative data from 2019.

The School District as a Whole (Continued)

Table 1 - Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 1,627,430	\$ 1,665,448	\$ 33,039	\$ 28,898	\$ 1,660,469	\$ 1,694,346
Capital assets	423,952	477,675			423,952	477,675
Total assets	<u>2,051,382</u>	<u>2,143,123</u>	<u>33,039</u>	<u>28,898</u>	<u>2,084,421</u>	<u>2,172,021</u>
Deferred outflows	<u>101,292</u>	<u>64,286</u>			<u>101,292</u>	<u>64,286</u>
Noncurrent liabilities	226,674	248,471			226,674	248,471
Other liabilities	150,826	238,020			150,826	238,020
Net pension liability	436,965	480,619				480,619
Total liabilities	<u>814,465</u>	<u>967,110</u>			<u>377,500</u>	<u>967,110</u>
Deferred inflows	<u>154,270</u>	<u>124,036</u>			<u>154,270</u>	<u>124,036</u>
Net position:						
Invested in capital assets, net of debt	241,436	270,159			241,436	270,159
Restricted	1,310,994	1,270,865			1,310,994	1,270,865
Unrestricted	(368,491)	(424,761)	33,039	28,898	(335,452)	(395,863)
Total net position	<u>\$ 1,183,939</u>	<u>\$ 1,116,263</u>	<u>\$ 33,039</u>	<u>\$ 28,898</u>	<u>\$ 1,216,978</u>	<u>\$ 1,145,161</u>

The District's combined net position was \$1,216,978. This was an increase from the prior year.

Table 2 shows changes in net position for fiscal year 2020, with comparative data from 2019.

The School District as a Whole (Continued)

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services			\$ 30,831	\$ 44,823	\$ 30,831	\$ 44,823
Operating grants & contributions	\$ 458,069	\$ 458,539			458,069	458,539
General revenues:						
Property taxes	2,816,498	2,762,882			2,816,498	2,762,882
Grants & entitlements	2,235,595	1,986,807			2,235,595	1,986,807
Other	30,994	33,668			30,994	33,668
Total revenues	5,541,156	5,241,896	30,831	44,823	5,571,987	5,286,719
Expenses:						
Instruction	2,261,562	2,262,145			2,261,562	2,262,145
Support services	3,077,440	2,767,898			3,077,440	2,767,898
Capital outlay	72,766	47,082			72,766	47,082
Unallocated depreciation	53,723	34,365			53,723	34,365
Interest on debt	7,989	8,952			7,989	8,952
Other enterprise			26,690	40,437	26,690	40,437
Total expenses	5,473,480	5,120,442	26,690	40,437	5,500,170	5,160,879
Change in net position	67,676	121,454	4,141	4,386	71,817	125,840
Prior period adjustment - OPEB		11,104,181				11,104,181
Prior year receivable canceled		(5,225)				(5,225)
Beginning net position	1,116,263	(10,104,147)	28,898	24,512	1,145,161	(10,079,635)
Ending net position	\$ 1,183,939	\$ 1,116,263	\$ 33,039	\$ 28,898	\$ 1,216,978	\$ 1,145,161

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 51% of revenues for Governmental Activities for the Woodbury Heights School District for fiscal year 2020. The District's total revenues were \$5,541,156 for the year ended June 30, 2020. Federal, state, and local grants accounted for another 49% of revenue.

The total cost of all programs and services was \$5,473,480. Instruction comprises 41% of District expenses.

Business-type Activities

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

* Income was more than expenditures by \$4,141.

* Charges for services represent \$30,831 of revenue.

Statement of Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the year 2020, with comparative data for 2019. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction:	\$ 2,261,562	\$ 2,262,145	\$ 1,931,441	\$ 1,920,045
Support services:				
Pupil & instructional staff	722,365	634,333	594,417	517,894
General administration, school administration & business operation	299,582	356,015	299,582	356,015
Operation & maintenance of facilities	212,643	203,677	212,643	203,677
Pupil transportation	70,365	36,451	70,365	36,451
Employee benefits	1,772,485	1,537,422	1,772,485	1,537,422
Interest	7,989	8,952	7,989	8,952
Capital outlay	72,766	47,082	72,766	47,082
Unallocated depreciation	53,723	34,365	53,723	34,365
	<u>\$ 5,473,480</u>	<u>\$ 5,120,442</u>	<u>\$ 5,015,411</u>	<u>\$ 4,661,903</u>

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

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

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

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

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

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

The School District's Funds

All Governmental Funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$4,925,770 and expenditures were \$4,876,594.

General Fund Budgeting Highlights

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

During the course of the fiscal 2020 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

- Transfers between budgetary line accounts to prevent overruns.

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

The General Fund revenues exceeded expenditures and other financing sources of the School District for the year by \$49,175.

Capital Assets

At the end of the fiscal year the School District had \$423,952 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2020 balances compared to 2019.

Table 4
Capital Assets (Net of Depreciation)

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Building & building improvements	\$ 422,988	\$ 457,478
Machinery & equipment	9,064	20,197
	<u>\$ 432,052</u>	<u>\$ 477,675</u>

Overall capital assets decreased \$53,723 from the previous year. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2020, the School District had \$226,674 of outstanding debt. Of this amount, \$44,158 is for compensated absences and \$182,516 is for serial bonds for the school HVAC project.

Debt Administration (Continued)

Table 5
Outstanding Serial Bonds at June 30,

	2020	2019
General Obligation Bonds of 2011	\$ 182,516	\$ 207,516
	<u>\$ 182,516</u>	<u>\$ 207,516</u>

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

For the Future

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

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

COVID-19 Pandemic

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our Administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2020-21 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the District has developed its return to school plan for 2020-21. The plan requires the District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures. The District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,088,494	\$ 33,039	\$ 1,121,533
Receivables, net	92,883		92,883
Prepaid expenses	33,795		33,795
Restricted cash and cash equivalents	412,258		412,258
Capital assets, net	423,952		423,952
Total assets	2,051,382	\$ 33,039	2,084,421
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	101,292		101,292
LIABILITIES			
Accounts payable	18,488		18,488
Payable to state government	72,977		72,977
Deferred revenue	59,361		59,361
Noncurrent liabilities:			
Due within one year	25,000		25,000
Due beyond one year	201,674		201,674
Net pension liability	436,965		436,965
Total liabilities	814,465		814,465
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows related to pension	154,270		154,270
Total Deferred inflows	154,270		154,270
NET POSITION			
Invested in capital assets, net of related debt	241,436		241,436
Restricted for:			
Debt service	2		2
Capital projects	29,933		29,933
Other purposes	1,281,059		1,281,059
Unrestricted	(368,491)	\$ 33,039	(335,452)
Total net position	\$ 1,183,939	\$ 33,039	\$ 1,216,978

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$ 1,382,996		\$ 330,121		\$ (1,052,875)		\$ (1,052,875)
Special education	719,810				(719,810)		(719,810)
Other special instruction	146,563				(146,563)		(146,563)
Other instruction	12,193				(12,193)		(12,193)
Support services:							
Tuition	176,573				(176,573)		(176,573)
Student & instructional related services	545,792		127,948		(417,844)		(417,844)
School administrative services	189,543				(189,543)		(189,543)
General & business administrative services	45,727				(45,727)		(45,727)
Central services	64,312				(64,312)		(64,312)
Plant operations & maintenance	212,643				(212,643)		(212,643)
Pupil transportation	70,365				(70,365)		(70,365)
Employee benefits	1,772,485				(1,772,485)		(1,772,485)
Interest on long-term debt	7,989				(7,989)		(7,989)
Capital outlay	72,766				(72,766)		(72,766)
Unallocated depreciation	53,723				(53,723)		(53,723)
Total governmental activities	<u>5,473,480</u>		<u>458,069</u>		<u>(5,015,411)</u>		<u>(5,015,411)</u>
Business-type activities:							
Project Safekeep	<u>26,690</u>	<u>\$ 30,831</u>				<u>\$ 4,141</u>	<u>4,141</u>
Total primary government	<u>\$ 5,500,170</u>	<u>\$ 30,831</u>	<u>\$ 458,069</u>		<u>\$ (5,015,411)</u>	<u>\$ 4,141</u>	<u>\$ (5,011,270)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 2,783,508		\$ 2,783,508
Taxes levied for debt service					32,990		32,990
Federal and state aid not restricted					2,235,595		2,235,595
Tuition					11,277		11,277
Miscellaneous income					19,717		19,717
Total general revenues, special items, extraordinary items, and transfers					<u>5,083,087</u>		<u>5,083,087</u>
Change in net position					67,676	\$ 4,141	71,817
Net position - beginning					1,116,263	28,898	1,145,161
Net position - end					<u>\$ 1,183,939</u>	<u>\$ 33,039</u>	<u>\$ 1,216,978</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

WOODBURY HEIGHTS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds				Total Governmental Funds	
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund		
ASSETS						
Cash and cash equivalents	\$ 1,060,500	\$ 27,994	\$ 31,698	\$ 2	\$ 1,120,194	
Capital reserve - cash	380,558				380,558	
Receivables from other governments	9,089	61,692	22,056		92,837	
Interfund receivable	46				46	
Prepaid expenses			33,795		33,795	
Total assets	<u>\$ 1,450,193</u>	<u>\$ 89,686</u>	<u>\$ 87,549</u>	<u>\$ 2</u>	<u>1,627,430</u>	
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,524	\$ 14,964			18,488	
Payable to state government		72,977			72,977	
Deferred revenue		1,745	\$ 57,616		59,361	
Total liabilities	<u>3,524</u>	<u>89,686</u>	<u>57,616</u>		<u>150,826</u>	
Fund balances:						
Restricted for:						
Excess surplus - designated for subsequent year's expenditures	448,549				448,549	
Excess surplus	445,323				445,323	
Capital reserve	380,558				380,558	
Capital projects			29,933		29,933	
Assigned to:						
Debt service fund				\$ 2	2	
Designated for subsequent year's expenditures	580				580	
Year-end encumbrances	6,049				6,049	
Unassigned:						
General fund	165,610				165,610	
Total fund balances	<u>1,446,669</u>		<u>29,933</u>	<u>2</u>	<u>1,476,604</u>	
Total liabilities and fund balances	<u>\$ 1,450,193</u>	<u>\$ 89,686</u>	<u>\$ 87,549</u>	<u>\$ 2</u>		
Amounts reported for Governmental Activities in the statement of net assets (A-1) are different because:						
Capital assets used in Governmental Activities are not financial resources, and therefore, are not reported in the funds. The cost of assets is \$2,050,406 and the accumulated depreciation is \$1,626,454 (See Note 6).						423,952
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7).						(226,674)
Net pension liability adjustment						(489,943)
Net position of Governmental Activities						<u>\$ 1,183,939</u>

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES:					
Local sources:					
Local tax levy	\$ 2,783,508			\$ 32,990	\$ 2,816,498
Tuition charges	11,277				11,277
Miscellaneous	19,717				19,717
Total local sources	2,814,502			32,990	2,847,492
State sources	1,620,209	\$ 267,739			1,887,948
Federal sources		190,330			190,330
Total revenues	4,434,711	458,069		32,990	4,925,770
EXPENDITURES:					
Current:					
Regular instruction	1,380,021				1,380,021
Special education instruction	389,689	330,121			719,810
Other special instruction	146,563				146,563
School sponsored activities	12,193				12,193
Support:					
Tuition	176,573				176,573
Student & instruction related services	417,844	127,948			545,792
General administration	189,543				189,543
School administrative services	45,727				45,727
Central services	64,312				64,312
Plant operations and maintenance	212,643				212,643
Pupil transportation	70,365				70,365
Unallocated benefits	1,207,297				1,207,297
Debt Service:					
Principal				25,000	25,000
Interest				7,989	7,989
Capital outlay	72,766				72,766
Total expenditures	4,385,536	458,069		32,989	4,876,594
Excess (deficiency) of revenues over expenditures	49,175			1	49,176
Net change in fund balances	49,175			1	49,176
Fund balance - July 1	1,397,494		\$ 29,933	1	1,427,428
Fund balance - June 30	\$ 1,446,669		\$ 29,933	\$ 2	\$ 1,476,604

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2020

Total net change in fund balances - Governmental Funds (from B-2)	\$	49,176
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$	(53,723)
Capital outlays		None
		(53,723)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		
Bond principal		25,000
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		(3,203)
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		50,426
Change in net position of Governmental Activities	\$	67,676

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Funds
 June 30, 2020

	Business-type Activities - Enterprise Funds <hr style="border: 0.5px solid black;"/>
ASSETS	
Cash and cash equivalents	\$ 33,039 <hr style="border: 0.5px solid black;"/>
NET POSITION	
Unrestricted	\$ 33,039 <hr style="border: 1px solid black;"/>

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds <hr style="border: 0.5px solid black;"/>
Operating revenues:	
Fees	\$ 30,831 <hr style="border: 0.5px solid black;"/>
Operating expenses:	
Salaries	24,814
Supplies and materials	1,876
Total operating expenses	<hr style="border: 0.5px solid black;"/> 26,690 <hr style="border: 0.5px solid black;"/>
Operating income (loss)	4,141
Total net position - beginning	28,898
Total net position - ending	<hr style="border: 0.5px solid black;"/> \$ 33,039 <hr style="border: 1px solid black;"/>

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 30,831
Payments to employees	(24,814)
Payments to suppliers	(1,876)
Net cash provided by (used for) operating activities	4,141
Balances - beginning of year	28,898
Balances - end of year	\$ 33,039
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 4,141
Net cash provided by (used for) operating activities	\$ 4,141

See accompanying notes to the basic financial statements.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 54,127
Total assets	<u>\$ 54,127</u>
LIABILITIES	
Payroll deductions and withholdings	\$ 33,539
Interfund payable	46
Due to student groups	20,542
Total liabilities	<u>\$ 54,127</u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

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

A. Reporting Entity

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

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

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

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

B. Basic Financial Statements – District-Wide Statements

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

C. Basic Financial Statements - Fund Financial Statements

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

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

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

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS (CONTINUED)

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

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

FIDUCIARY FUNDS

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

D. Basis of Accounting

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

E. Budgets/Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

G. Cash and Cash Equivalents

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

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

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

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

NJSA 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

H. Inventories

Inventories are recorded as expenditures during the year of purchase.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Transactions

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

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

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

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

L. Deferred Revenue

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

M. Accrued Liabilities and Long-Term Obligations

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

N. Net Position

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

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

O. Fund Balance

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance (Continued)

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

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

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

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

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

P. Revenues

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Expenditures

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

R. Allocation of Indirect Expenses

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

S. Extraordinary and Special Items

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

T. Use of Estimates

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

U. Recent Accounting Pronouncements Adopted

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, is postponed until June 15, 2019.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Recent Effective Accounting Pronouncements Postponed by Statement 95

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement originally effective for periods beginning after December 31, 2018, is postponed until December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2020 and 2019, was \$1,587,916 and \$1,560,447 respectively. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$1,816,009 and \$1,664,533 respectively, was exposed to Custodial Credit Risk.

During the fiscal year, the District participated in the New Jersey Cash Management Fund. The fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. As of June 30, 2020, the District had deposits in the amount of \$87,985 in the New Jersey Cash Management Fund.

NOTE 3: INVESTMENTS

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

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

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2020, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities
State aid	\$ 31,145
Federal aid	61,692
	<u>\$ 92,837</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remain on the balance sheet as of June 30, 2020:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 46	
Agency fund		\$ 46
	<u>\$ 46</u>	<u>\$ 46</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2020</u>
Governmental activities:				
Sites & site improvements	\$ 15,802			\$ 15,802
Building & building improvements	1,723,908			1,723,908
Machinery & equipment	310,696			310,696
Totals at historical cost	<u>2,050,406</u>			<u>2,050,406</u>
Less: accumulated depreciation for:				
Site improvements	15,802			15,802
Building & building improvements	1,266,430	\$ 42,590		1,309,020
Machinery & equipment	290,499	11,133		301,632
Total accumulated depreciation	<u>1,572,731</u>	<u>53,723</u>		<u>1,626,454</u>
Governmental activities capital assets, net	<u>\$ 477,675</u>	<u>\$ (53,723)</u>	<u>None</u>	<u>\$ 423,952</u>

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

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2020, consisted of the following:

\$377,516 General Obligation Refunding Bonds dated March 1, 2011, payable in annual installments through March 1, 2026. Interest is paid semi-annually at the rate of 3.85% per annum. The balance remaining at June 30, 2020, was \$182,516.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$ 207,516		\$ 25,000	\$ 182,516	\$ 25,000
Compensated absences	40,955	\$ 3,203		44,158	
	<u>\$ 248,471</u>	<u>\$ 3,203</u>	<u>\$ 25,000</u>	<u>\$ 226,674</u>	<u>\$ 25,000</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2021	\$ 25,000	\$ 7,027	\$ 32,027
2022	30,000	6,064	36,064
2023	30,000	4,909	34,909
2024	30,000	3,754	33,754
2025	33,000	2,599	35,599
2026	34,516	1,329	35,845
	<u>\$ 182,516</u>	<u>\$ 25,682</u>	<u>\$ 208,198</u>

Bonds Authorized but Not Issued

As of June 30, 2020, the Board had debt authorized in the amount of \$1,778,000. These bonds were issued On July 16, 2020.

Other

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

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns. Rebutable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebutable amounts are due and payable to the federal government. Thus, rebutable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2020, it is not necessary for the Board to establish a liability for arbitrage rebate.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: PENSION FUNDS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans, which have been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The TPAF and the PERS provide for 7.5% of employees' annual compensation as defined. Employers are required to contribute at an actuarially determined rate in the PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. The District's contributions to the PERS for the years ending June 30, 2020, 2019, and 2018, were \$23,589, \$24,280, and \$18,271, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$515,858 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District \$129,317 during the year ended June 30, 2019, for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: PENSION FUNDS (CONTINUED)

The District's total payroll for the year ended June 30, 2020, was \$2,377,545. Covered payroll was \$176,496 for the PERS and \$1,846,172 for the TPAF for the year ended June 30, 2020.

For the year ended June 30, 2020, the District recognized pension expense of \$(26,837). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 3,735
Changes of assumptions		139,608
Net difference between projected and actual earning on pension plan investments		10,932
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 77,703	
Employer contributions subsequent to the measurement date	23,589	
	\$ 101,292	\$ 154,275

\$23,589 reported as deferred outflows of resources related to pensions resulting from school district project contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2021	\$ (28,489)
2022	(39,363)
2023	(13,984)
2024	5,603
2025	(334)
Thereafter	None
	\$ (76,567)

Additional Information – Collective balances at June 30, 2018 and 2019, are as follows:

	June 30, 2018	June 30, 2019
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 3,149,522,618
Collective deferred inflows of resources	7,646,736,226	7,645,087,574
Collective net pension liability	19,689,501,539	18,018,482,972
District's proportion	0.0024409900%	0.0024250918%

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: PENSION FUNDS (CONTINUED)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right, under the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the year ending June 30, 2020, was \$5,515 for covered employees.

NOTE 9: POSTEMPLOYMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$12,201,966. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2019, actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF) See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.50%

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

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

	<u>Total OPEB Liability</u>
Balance at beginning of measurement period	<u>\$ 46,110,832,982</u>
Changes for the year:	
Service cost	1,734,404,850
Interest	1,827,787,206
Changes of benefit terms	-
Differences between expected and actual experience	(7,323,140,818)
Changes in assumptions or other inputs	622,184,027
Contributions - Member	37,971,171
Benefit payments	<u>(1,280,958,373)</u>
Net changes	<u>(4,381,751,937)</u>
Balance at end of measurement period	<u><u>\$ 41,729,081,045</u></u>

There were no changes in benefit terms from 2018 to 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District using a discount rate of 3.50%, as well as using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate.

	2.50%	3.50%	4.50%
Total OPEB Liability (School Retirees)	\$ 8,825,101	\$ 8,129,679	\$ 6,958,270

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 6,698,493	\$ 8,129,679	\$ 10,024,275

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Additional information – Collective balances at June 30, 2019 and 2018, are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,587,639,826	16,189,378,926
Collective OPEB Expense	<u>1,015,664,874</u>	<u>2,129,660,368</u>
District's proportion	0.02%	0.02%

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

For the fiscal year ended June 30, 2020, the Board of Education recognized \$615,386 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019, measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ (10,484,965,300)
Changes of assumptions or other inputs		<u>(8,481,529,343)</u>
Total	<u>None</u>	<u>\$ (18,966,494,643)</u>

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

<u>Year Ended June 30,</u>	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: DEFERRED COMPENSATION

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

Lincoln Investment Planning, Inc.
Siracusa
Equi-Vest

NOTE 11: COMPENSATED ABSENCES

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

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

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

NOTE 12: LABOR CONTRACTS

As of June 30, 2020, the District has a total of approximately 89 employees. Of this total, approximately 29 employees are represented by the Woodbury Heights Education Association whose union agreement will expire on June 30, 2020.

NOTE 13: RISK MANAGEMENT

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

Property and Liability Insurance:

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020, fiscal year, is as follows:

Beginning balance - July 1, 2019	\$ 239,014
Deposits approved by resolution	140,000
Interest earned	<u>1,544</u>
Ending balance - June 30, 2020	<u><u>\$ 380,558</u></u>

NOTE 15: FUND BALANCE APPROPRIATED

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

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

Specific classifications of fund balance are summarized below:

Restricted

General Fund - In accordance with NJSA 18A:7F-7, \$893,872 is restricted as excess surplus (\$448,549 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2021).

Capital Projects Fund - The Capital Projects Fund balance as of June 30, 2020, was \$29,933.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15: FUND BALANCE APPROPRIATED (CONTINUED)

Assigned

General Fund - The District has appropriated and included as an anticipated revenue for the year ended June 30, 2021, \$580 of General fund balance as of June 30, 2020. As of June 30, 2020, the District had \$6,049 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Debt Service Fund - The Debt Service Fund balance as of June 30, 2020, was \$2.

Unassigned

General Fund - As of June 30, 2020, a balance of \$165,610 of fund balance was unassigned.

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020, is \$893,872.

NOTE 17: CONTINGENT LIABILITIES

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

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

NOTE 18: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 36% of the District's 2019-2020 General Fund revenue, while local tax levy accounted for approximately 63%.

NOTE 19: TAX ABATEMENTS

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 19: TAX ABATEMENTS (CONTINUED)

and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Borough of Woodbury Heights did not have any tax abatements for the year ended December 31, 2019.

NOTE 20: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 26, 2021, the date that the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest, food service revenues, and child-care fees. Other financial impact could occur though such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,783,508		\$ 2,783,508	\$ 2,783,508	
Tuition	15,002		15,002	11,277	\$ (3,725)
Interest earned on capital reserve				1,544	1,544
Miscellaneous	3,000		3,000	18,173	15,173
Total - local sources	<u>2,801,510</u>		<u>2,801,510</u>	<u>2,814,502</u>	<u>12,992</u>
State sources:					
Categorical special education aid	134,019		134,019	134,019	
Equalization aid	827,436		827,436	827,436	
Categorical security aid	3,952		3,952	3,952	
Extraordinary aid				2,531	2,531
TPAF post-retirement medical (on-behalf/non-budgeted)				139,515	139,515
TPAF long term disability (on-behalf/non-budgeted)				274	274
TPAF pensions contributions (on-behalf/non-budgeted)				376,069	376,069
Reimbursed TPAF Social Security contributions (non-budgeted)				129,317	129,317
Total - state sources	<u>965,407</u>		<u>965,407</u>	<u>1,613,113</u>	<u>647,706</u>
Total revenues	<u>\$ 3,766,917</u>		<u>\$ 3,766,917</u>	<u>\$ 4,427,615</u>	<u>\$ 660,698</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Kindergarten - salaries of teachers	\$ 154,888	\$ 2,572	\$ 157,460	\$ 156,082	\$ 1,378
Grades 1-5 - salaries of teachers	979,871	(1,611)	978,260	948,719	29,541
Grades 6-8 - salaries of teachers	191,084	(959)	190,125	189,198	927
Regular programs - undistributed instruction:					
Purchased technical services	15,500		15,500	5,345	10,155
Other purchased services	31,500		31,500	15,242	16,258
General supplies	90,500	(1,500)	89,000	57,903	31,097
Textbooks	10,000	1,300	11,300	6,261	5,039
Other objects	3,700	250	3,950	1,271	2,679
Total regular programs - instruction	<u>1,477,043</u>	<u>52</u>	<u>1,477,095</u>	<u>1,380,021</u>	<u>97,074</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	208,912	(7,846)	201,066	199,417	1,649
Other salaries for instruction	119,831	15,001	134,832	119,877	14,955
General supplies	500	395	895	880	15
Total resource room/resource center	329,243	7,550	336,793	320,174	16,619
Preschool disabilities - part-time:					
Salaries of teachers	38,988	16,951	55,939	55,818	121
Other salaries for instruction	13,402	732	14,134	13,448	686
General supplies	1,000	(732)	268	249	19
Total preschool disabilities - part-time	53,390	16,951	70,341	69,515	826
Total special education - instruction	382,633	24,501	407,134	389,689	17,445
Basic skills/remedial instruction:					
Salaries of teachers	167,027	(100)	166,927	146,056	20,871
General supplies	500	100	600	507	93
Total basic skills/remedial instruction	167,527		167,527	146,563	20,964

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-spon. cocurricular activities - instruction:					
Salaries	9,500	2,750	12,250	11,978	272
General supplies	200	20	220	215	5
Other objects	500	(500)			
Total school-spon. cocurricular activities - instruction	10,200	2,270	12,470	12,193	277
Total instructions	2,037,403	26,823	2,064,226	1,928,466	135,760
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	40,000		40,000	4,799	35,201
Tuition to other LEA's within the state - special	137,000	(17,536)	119,464	103,457	16,007
Tuition to CSSD & regional day schools	47,720	15,536	63,256	62,794	462
Tuition to private schools for the disabled - within state	62,635		62,635	5,523	57,112
Tuition other		2,000	2,000		2,000
Total undistributed expenditures - instruction	287,355		287,355	176,573	110,782
Undistributed expenditures - attendance & social work:					
Salaries	21,583		21,583	21,583	
Purchased professional - technical services	17,500	(5,700)	11,800	1,836	9,964
General supplies	250		250		250
Total undistributed expenditures - attendance & social work	39,333	(5,700)	33,633	23,419	10,214
Undistributed expenditures - health services:					
Salaries	60,758	(550)	60,208	58,030	2,178
Purchased professional - technical services		600	600	600	
Other purchased services	2,200	50	2,250	1,902	348
Supplies and materials	2,000		2,000	824	1,176
Total undistributed expenditures - health services	64,958	100	65,058	61,356	3,702

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - speech, OT, PT & related services:					
Salaries	86,502	3,800	90,302	90,302	
Purchased professional - educational services	70,000	(16,100)	53,900	31,467	22,433
Supplies and materials	750		750	215	535
Total undistributed expenditures - speech, OT, PT & related services	<u>157,252</u>	<u>(12,300)</u>	<u>144,952</u>	<u>121,984</u>	<u>22,968</u>
Undistributed expenditures - extraordinary:					
Purchased professional - educational services	50,000	(12,201)	37,799	27,867	9,932
Total undistributed expenditures - extraordinary	<u>50,000</u>	<u>(12,201)</u>	<u>37,799</u>	<u>27,867</u>	<u>9,932</u>
Undistributed expenditures - guidance services:					
Salaries of other professional staff	51,901	5,700	57,601	57,582	19
Purchased professional - educational services	2,000		2,000		2,000
Purchased professional - technical services	1,000		1,000		1,000
Other purchased services	200		200	139	61
Supplies and materials	500		500	352	148
Total undistributed expenditures - guidance services	<u>55,601</u>	<u>5,700</u>	<u>61,301</u>	<u>58,073</u>	<u>3,228</u>
Undistributed expenditures - child study team:					
Purchased professional - educational services	85,000		85,000	79,729	5,271
Total undistributed expenditures - child study team	<u>85,000</u>		<u>85,000</u>	<u>79,729</u>	<u>5,271</u>
Undistributed expenditures - improvement of inst. services:					
Purchased professional - educational services	50,000	(2,810)	47,190	39,678	7,512
Other purchased professional and technical services		1,710	1,710		1,710
Other purchased services		1,100	1,100	538	562
Total undistributed expenditures - improvement of inst. services	<u>50,000</u>		<u>50,000</u>	<u>40,216</u>	<u>9,784</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - edu. media serv./school library:					
Purchased professional - educational services	500		500		500
Supplies and materials	10,000		10,000	4,201	5,799
Total undist. expend. - edu. media serv./school library	<u>10,500</u>		<u>10,500</u>	<u>4,201</u>	<u>6,299</u>
Undist. expend. - instructional staff training					
Other purchased services	1,350		1,350	999	351
Supplies and materials	5,000		5,000		5,000
Total undist. expend. - instructional staff training	<u>6,350</u>		<u>6,350</u>	<u>999</u>	<u>5,351</u>
Undist. expend. - supp. serv. - general administration:					
Salaries	134,583	3,170	137,753	137,208	545
Legal services	10,000		10,000	7,651	2,349
Audit fees	10,500	1,330	11,830	11,830	
Other purchased professional services	20,000	(8)	19,992	11,105	8,887
Communications/telephone	25,000	(4,900)	20,100	10,210	9,890
Miscellaneous purchased services	9,950	8	9,958	4,808	5,150
General supplies	3,000		3,000	2,801	199
Miscellaneous expenditures	3,000		3,000	1,450	1,550
BOE membership dues and fees	3,000		3,000	2,480	520
Total undist. expend. - supp. serv. - general administration	<u>219,033</u>	<u>(400)</u>	<u>218,633</u>	<u>189,543</u>	<u>29,090</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - supp. serv. - school administration:					
Salaries of secretarial and clerical assistants	44,347	20	44,367	44,347	20
Supplies and materials	1,000	380	1,380	1,380	
Total undist. expend. - supp. serv. - school administration	45,347	400	45,747	45,727	20
Undist. expend. - central services:					
Purchased professional services	70,500		70,500	55,733	14,767
Purchased technical services	10,000		10,000	7,903	2,097
Supplies and materials	500	(38)	462	388	74
Miscellaneous expenditures	250	38	288	288	
Total undist. expend. - central services	81,250		81,250	64,312	16,938
Undist. expend. - required maintenance for school facilities:					
Salaries	23,363		23,363	16,032	7,331
Cleaning, repair, and maintenance services	25,000	2,007	27,007	26,993	14
General supplies	1,000		1,000	711	289
Total undist. expend - required maintenance for school facilities	49,363	2,007	51,370	43,736	7,634

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - custodial services:					
Salaries	52,063	3,200	55,263	55,259	4
Purchased professional and technical services	5,000	775	5,775	3,775	2,000
Cleaning, repair, and maintenance services	5,000	1,550	6,550	6,548	2
Other purchased property services	10,000	1,561	11,561	11,435	126
Insurance	20,000	(940)	19,060	18,294	766
General supplies	36,000		36,000	16,968	19,032
Energy (electricity)	45,000		45,000	41,971	3,029
Salaries of non-instructional aides	30,000	(8,252)	21,748	14,576	7,172
Miscellaneous expenses	250		250	81	169
Total undist. expend. - custodial services	203,313	(2,106)	201,207	168,907	32,300
Undist. expend. - student transportation services:					
Contract services (sp. ed. students) joint agreements	33,000	36,039	69,039	69,020	19
Contract services - aid in lieu of payments	8,000	(5,989)	2,011	1,345	666
Total undist. expend. - student transportation services	41,000	30,050	71,050	70,365	685

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Social Security contributions	50,000		50,000	44,572	5,428
Other retirement contributions - PERS	30,000		30,000	29,048	952
Unemployment compensation	12,000		12,000	5,611	6,389
Workmen's compensation	18,000		18,000	14,629	3,371
Health benefits	604,733	(32,373)	572,360	463,817	108,543
Tuition reimbursement	12,000		12,000	4,326	7,674
Other employee benefits	15,000		15,000	119	14,881
Total unallocated benefits - employee benefits	<u>741,733</u>	<u>(32,373)</u>	<u>709,360</u>	<u>562,122</u>	<u>147,238</u>
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				376,069	(376,069)
On-behalf TPAF OPEB (post-retirement medical) contrib. (non-budgeted)				139,515	(139,515)
On-behalf TPAF long term disability (non-budgeted)				274	(274)
Reimbursed TPAF Social Security contributions (non-budgeted)				129,317	(129,317)
Total on-behalf contributions				<u>645,175</u>	<u>(645,175)</u>
Total personal services - employee benefits	<u>741,733</u>	<u>(32,373)</u>	<u>709,360</u>	<u>1,207,297</u>	<u>(497,937)</u>
Total undistributed expenditures	<u>2,187,388</u>	<u>(26,823)</u>	<u>2,160,565</u>	<u>2,384,304</u>	<u>(223,739)</u>
Total general current expense	<u>4,224,791</u>		<u>4,224,791</u>	<u>4,312,770</u>	<u>(87,979)</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities acquisitions and construction services:					
Construction services	95,000		95,000	72,272	22,728
Assessment for debt service	494		494	494	
Total facilities acquisitions and construction services	<u>95,494</u>		<u>95,494</u>	<u>72,766</u>	<u>22,728</u>
Total capital outlay	<u>95,494</u>		<u>95,494</u>	<u>72,766</u>	<u>22,728</u>
Total expenditures	<u>4,320,285</u>		<u>4,320,285</u>	<u>4,385,536</u>	<u>(65,251)</u>
Excess (deficiency) of revenues over (under) expenditures	(553,368)		(553,368)	42,079	595,447
Fund balance - July 1	<u>1,491,511</u>		<u>1,491,511</u>	<u>1,491,511</u>	
Fund balance - June 30	<u>\$ 938,143</u>		<u>\$ 938,143</u>	<u>\$ 1,533,590</u>	<u>\$ 595,447</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 380,558	
Excess surplus - designated for subsequent year's expenditures				448,549	
Excess surplus - current year				445,323	
Assigned fund balance:					
Year-end encumbrances				6,049	
Designated for subsequent year's expenditures				580	
Unassigned fund balance				252,531	
				<u>1,533,590</u>	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(86,921)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,446,669</u>	

WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 318,407		\$ 318,407	\$ 267,739	\$ 50,668
Federal sources	242,612		242,612	190,330	52,282
Total revenues	<u>\$ 561,019</u>		<u>\$ 561,019</u>	<u>\$ 458,069</u>	<u>\$ 102,950</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 8,218		\$ 8,218	\$ 8,218	
Purchased professional - technical services	262,431		262,431	211,808	\$ 50,623
Textbooks	16,867		16,867	16,823	44
Tuition	63,648		63,648	56,944	6,704
General supplies	41,055		41,055	36,328	4,727
Total instruction	<u>392,219</u>		<u>392,219</u>	<u>330,121</u>	<u>62,098</u>
Support services:					
Salaries					
Personal services - employee benefits	2,876		2,876	2,876	
Purchased professional - educational services	118,649		118,649	87,384	31,265
Purchased professional - technical services	11,666		11,666	6,026	5,640
Other purchased services	35,609		35,609	31,662	3,947
Total support services	<u>168,800</u>		<u>168,800</u>	<u>127,948</u>	<u>40,852</u>
Total expenditures	<u>\$ 561,019</u>		<u>\$ 561,019</u>	<u>\$ 458,069</u>	<u>\$ 102,950</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

WOODBURY HEIGHTS SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2020

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 4,427,615	\$ 458,069
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
State aid payment recognized for GAAP purposes in the current year, previously recognized for budgetary purposes.	94,017	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(86,921)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 4,434,711	\$ 458,069
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 4,385,536	\$ 458,069
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 4,385,536	\$ 458,069

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0033864008%	0.0028139008%	0.0024505122%	0.0019722727%	0.0024409900%	0.0024250918%
District's proportionate share of the net pension liability (asset)	\$ 634,027	\$ 631,664	\$ 725,771	\$ 459,114	\$ 480,619	\$ 436,965
District's covered- employee payroll	170,480	142,882	164,593	169,857	177,680	167,630
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	371.91%	442.09%	440.95%	270.29%	270.50%	260.67%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.59%	56.27%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Contractually required contribution	\$ 27,917	\$ 24,192	\$ 21,770	\$ 18,271	\$ 24,280	\$ 23,589
Contributions in relation to the contractually required contribution	27,917	24,192	21,770	18,271	24,280	23,589
Contribution deficiency (excess)	None	None	None	None	None	None
District's covered-employee payroll	\$ 170,480	\$ 142,882	\$ 164,593	\$ 169,857	\$ 177,680	\$ 167,630
Contributions as a percentage of covered-employee payroll	16.38%	16.93%	13.23%	10.76%	13.67%	14.07%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

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

	Fiscal Year Ended					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0149676783%	0.0164350693%	0.0163411855%	0.0164048727%	0.0163444088%	0.0170004457%
District's proportionate share of the net pension liability (asset)	\$ 7,618,675	\$ 10,387,666	\$ 12,855,017	\$ 11,060,757	\$ 10,397,962	\$ 10,433,334
District's covered-employee payroll	1,642,322	1,705,841	1,678,730	1,740,812	1,781,923	1,796,416
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	463.90%	608.95%	765.76%	635.38%	583.52%	580.79%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.59%
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2016

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

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

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

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

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Three Fiscal Years

	Fiscal Year Ended		
	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 338,905	\$ 280,919	\$ 286,672
Interest	312,175	359,492	354,738
Changes of benefit terms			
Differences between expected and actual experience		(251,629)	(1,390,392)
Changes of assumptions or other inputs	(1,278,862)	(1,032,750)	121,214
Member contributions	8,423	8,317	7,398
Benefit payments	(228,747)	(240,646)	(249,557)
Net change in total OPEB liability	(848,106)	(876,297)	(869,927)
Total OPEB liability - beginning	10,724,009	9,875,903	8,999,606
Total OPEB liability - ending	<u>\$ 9,875,903</u>	<u>\$ 8,999,606</u>	<u>\$ 8,129,679</u>
Covered employee payroll	\$ 1,910,669	\$ 1,959,603	\$ 1,964,046
Total OPEB liability as a percentage of covered employee payroll	516.88%	459.26%	413.93%

Notes to Schedule:

Changes of benefit terms:

There were no changes in benefit terms during the year.

Changes of assumptions:

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

2018	3.58%
2019	3.87%
2020	3.58%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTES RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

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

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2019, measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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, 2014 to June 30, 2018.

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

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

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 3.05% based on service years
Thereafter	1.55 – 3.05% based on service years
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on service years
Thereafter	3.00 – 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and the PERS, respectively.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

WOODBURY HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Exhibit E-1a)	Title I	Title II Part A	Title IV	IDEA Basic	IDEA Preschool	Total
REVENUES:							
Federal sources		\$ 11,094	\$ 2,051	\$ 10,145	\$ 162,540	\$ 4,500	\$ 190,330
State sources	\$ 267,739						267,739
Total revenues	<u>\$ 267,739</u>	<u>\$ 11,094</u>	<u>\$ 2,051</u>	<u>\$ 10,145</u>	<u>\$ 162,540</u>	<u>\$ 4,500</u>	<u>\$ 458,069</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers		\$ 8,218					\$ 8,218
Purchased professional - technical services	\$ 208,260			\$ 3,548			211,808
General supplies	11,519			6,597	\$ 18,212		36,328
Textbooks	16,823						16,823
Tuition					56,944		56,944
Total instruction	<u>236,602</u>	<u>8,218</u>		<u>10,145</u>	<u>75,156</u>		<u>330,121</u>
Support services:							
Personal services - employees benefits		2,876					2,876
Purchased professional - educational services					87,384		87,384
Purchased professional - technical services			\$ 1,526			\$ 4,500	6,026
Other purchased services	31,137		525				31,662
Total support services	<u>31,137</u>	<u>2,876</u>	<u>2,051</u>		<u>87,384</u>	<u>4,500</u>	<u>127,948</u>
Total expenditures	<u>\$ 267,739</u>	<u>\$ 11,094</u>	<u>\$ 2,051</u>	<u>\$ 10,145</u>	<u>\$ 162,540</u>	<u>\$ 4,500</u>	<u>\$ 458,069</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Exhibit E-1b)	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security Aid	Total Carried Forward
REVENUES:						
State sources	\$ 184,567	\$ 16,823	\$ 31,137	\$ 11,519	\$ 23,693	\$ 267,739
Total revenues	<u>\$ 184,567</u>	<u>\$ 16,823</u>	<u>\$ 31,137</u>	<u>\$ 11,519</u>	<u>\$ 23,693</u>	<u>\$ 267,739</u>
EXPENDITURES:						
Instruction:						
Purchased professional technical services	\$ 184,567				\$ 23,693	\$ 208,260
General supplies				\$ 11,519		11,519
Textbooks		\$ 16,823				16,823
Total instruction	<u>184,567</u>	<u>16,823</u>		<u>11,519</u>	<u>23,693</u>	<u>236,602</u>
Support services:						
Other purchased services			\$ 31,137			31,137
Total support services			<u>31,137</u>			<u>31,137</u>
Total expenditures	<u>\$ 184,567</u>	<u>\$ 16,823</u>	<u>\$ 31,137</u>	<u>\$ 11,519</u>	<u>\$ 23,693</u>	<u>\$ 267,739</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	Non-public Handicapped Services		Non-public Auxiliary Services		Total	
	Corr. Speech	Exam & Class	Supp. Inst.	Comp. Ed.	Transp.	Carried Forward
REVENUES:						
State sources	\$ 56,871	\$ 32,156	\$ 29,547	\$ 60,029	\$ 5,964	\$ 184,567
Total revenues	<u>\$ 56,871</u>	<u>\$ 32,156</u>	<u>\$ 29,547</u>	<u>\$ 60,029</u>	<u>\$ 5,964</u>	<u>\$ 184,567</u>
EXPENDITURES:						
Instruction:						
Purchased professional - technical services	\$ 56,871	\$ 32,156	\$ 29,547	\$ 60,029	\$ 5,964	\$ 184,567
Total instruction	<u>56,871</u>	<u>32,156</u>	<u>29,547</u>	<u>60,029</u>	<u>5,964</u>	<u>184,567</u>
Total expenditures	<u>\$ 56,871</u>	<u>\$ 32,156</u>	<u>\$ 29,547</u>	<u>\$ 60,029</u>	<u>\$ 5,964</u>	<u>\$ 184,567</u>

CAPITAL PROJECTS FUND

WOODBURY HEIGHTS SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2020

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2020
			Prior Years	Current Year	
Roofing & HVAC Project	9/4/2010	\$ 629,194	\$ 577,205	None	\$ 51,989

WOODBURY HEIGHTS SCHOOL DISTRICT
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budgetary Basis
For the Year Ended June 30, 2020

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

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Roofing and HVAC Project
 From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Period	Totals	Revised Authorized Costs
Revenues and other financing sources:				
State sources - SDA grant	\$ 251,678		\$ 251,678	\$ 251,678
Bond proceeds and transfers	377,516		377,516	377,516
Total revenues	<u>629,194</u>		<u>629,194</u>	<u>629,194</u>
Expenditures and other financing uses:				
Other professional services	43,015		43,015	42,579
Construction services	534,190		534,190	586,615
Total expenditures	<u>577,205</u>		<u>577,205</u>	<u>629,194</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ 51,989</u>		<u>\$ 51,989</u>	
Additional project information:				
Project number	050-10-1002, 5870-050-10-1001			
Grant date/letter of notification	9/7/2010			
Bond authorization/referendum date	2/8/2011			
Bonds authorized	\$ 377,516			
Bonds issued	377,516			
Original project authorized cost	629,194			
Percentage completion	92%			
Original target completion date	8/12/2011			
Revised target completion date	6/30/2021			

PROPRIETARY FUNDS

WOODBURY HEIGHTS SCHOOL DISTRICT
Enterprise Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Project Safekeep</u>
ASSETS	
Cash and cash equivalents	<u>\$ 33,039</u>
NET POSITION	
Unrestricted	<u><u>\$ 33,039</u></u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Enterprise Fund
 Combining Schedule of Revenues, Expenses,
 and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2020

	<u>Project Safekeep</u>
Operating revenues:	
Fees	<u>\$ 30,831</u>
Operating expenses:	
Other salaries	24,814
Other objects	<u>1,876</u>
Total operating expenses	<u>26,690</u>
Operating income (loss)	4,141
Total net position - beginning	<u>28,898</u>
Total net position - ending	<u><u>\$ 33,039</u></u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Enterprise Fund
 Combining Schedule of Cash Flows
 For the Fiscal Year Ended June 30, 2020

	Project Safekeep
Cash flows from operating activities:	
Receipts from customers	\$ 30,831
Payments to employees	(24,814)
Payments to suppliers	(1,876)
	4,141
Net cash provided by (used for) operating activities	4,141
Balance - beginning of year	28,898
Balance - end of year	\$ 33,039
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 4,141
Net cash provided by (used for) operating activities	\$ 4,141

FIDUCIARY FUNDS

WOODBURY HEIGHTS SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Total 2020</u>
ASSETS			
Cash and cash equivalents	\$ 20,550	\$ 33,577	\$ 54,127
Total assets	<u>\$ 20,550</u>	<u>\$ 33,577</u>	<u>\$ 54,127</u>
LIABILITIES			
Payroll deductions and withholdings		\$ 33,539	\$ 33,539
Due to student groups	\$ 20,542		20,542
Interfund payable	8	38	46
Total liabilities	<u>\$ 20,550</u>	<u>\$ 33,577</u>	<u>\$ 54,127</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
SCHOOLS:				
Elementary School	\$ 22,772	\$ 4,380	\$ 6,610	\$ 20,542
Interfund payable	8	108	108	8
Total liabilities	<u>\$ 22,780</u>	<u>\$ 4,488</u>	<u>\$ 6,718</u>	<u>\$ 20,550</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS				
Cash and cash equivalents	\$ 26,547	\$ 2,589,947	\$ 2,582,917	\$ 33,577
Total assets	<u>\$ 26,547</u>	<u>\$ 2,589,947</u>	<u>\$ 2,582,917</u>	<u>\$ 33,577</u>
LIABILITIES				
Accrued salaries and wages		\$ 1,509,201	\$ 1,509,201	
Payroll deductions and withholdings	\$ 26,530	1,080,504	1,073,495	\$ 33,539
Interfund payable	17	242	221	38
Total liabilities	<u>\$ 26,547</u>	<u>\$ 2,589,947</u>	<u>\$ 2,582,917</u>	<u>\$ 33,577</u>

LONG-TERM DEBT

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2019	Retired	Balance June 30, 2020
			Date	Amount				
2011 General Obligation Bonds	3/1/2011	\$ 377,516	3/1/2021	\$ 25,000	3.85%			
			3/1/2022-24	30,000	3.85%			
			3/1/2025	33,000	3.85%			
			3/1/2026	34,516	3.85%			
						\$ 207,516	\$ 25,000	\$ 182,516

WOODBURY HEIGHTS SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 32,990		\$ 32,990	\$ 32,990	
Total revenues	<u>32,990</u>		<u>32,990</u>	<u>32,990</u>	
EXPENDITURES:					
Regular debt service:					
Interest	7,990		7,990	7,989	\$ 1
Redemption of principal	25,000		25,000	25,000	
Total expenditures	<u>32,990</u>		<u>32,990</u>	<u>32,989</u>	<u>1</u>
Excess (deficiency) of revenue over (under) expenditures				1	(1)
Fund balance - beginning	<u>1</u>		<u>1</u>	<u>1</u>	<u>1</u>
Fund balance - ending	<u>\$ 1</u>		<u>\$ 1</u>	<u>\$ 2</u>	

STATISTICAL SECTION
(Unaudited)

WOODBURY HEIGHTS SCHOOL DISTRICT
Statistical Section

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	107-112
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	113-116
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	117-120
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	121-122
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	123-127

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

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 138,380	\$ 513,540	\$ 470,331	\$ 462,641	\$ 299,782	\$ 364,571	\$ 319,239	\$ 279,524	\$ 270,159	\$ 241,436
Restricted	143,574	291,867	510,881	545,418	646,857	717,135	927,592	1,209,470	1,270,865	1,310,994
Unrestricted	143,630	199,609	119,862	125,757	(536,969)	(519,583)	(501,995)	(11,593,141)	(424,761)	(368,491)
Total governmental activities net position	<u>\$ 425,584</u>	<u>\$ 1,005,016</u>	<u>\$ 1,101,074</u>	<u>\$ 1,133,816</u>	<u>\$ 409,670</u>	<u>\$ 562,123</u>	<u>\$ 744,836</u>	<u>\$ (10,104,147)</u>	<u>\$ 1,116,263</u>	<u>\$ 1,183,939</u>
Business-type activities:										
Unrestricted	\$ 23,079	\$ 15,558	\$ 14,125	\$ 16,718	\$ 12,936	\$ 19,899	\$ 27,446	\$ 24,512	\$ 28,898	\$ 33,039
Total governmental activities net position	<u>\$ 23,079</u>	<u>\$ 15,558</u>	<u>\$ 14,125</u>	<u>\$ 16,718</u>	<u>\$ 12,936</u>	<u>\$ 19,899</u>	<u>\$ 27,446</u>	<u>\$ 24,512</u>	<u>\$ 28,898</u>	<u>\$ 33,039</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 138,380	\$ 513,540	\$ 470,331	\$ 462,641	\$ 299,782	\$ 364,571	\$ 319,239	\$ 279,524	\$ 270,159	\$ 241,436
Restricted	143,574	291,867	510,881	545,418	646,857	717,135	927,592	1,209,470	1,270,865	1,310,994
Unrestricted	166,709	215,167	133,987	142,475	(524,033)	(499,684)	(474,549)	(11,568,629)	(395,863)	(335,452)
Total District-wide net position	<u>\$ 448,663</u>	<u>\$ 1,020,574</u>	<u>\$ 1,115,199</u>	<u>\$ 1,150,534</u>	<u>\$ 422,606</u>	<u>\$ 582,022</u>	<u>\$ 772,282</u>	<u>\$ (10,079,635)</u>	<u>\$ 1,145,161</u>	<u>\$ 1,216,978</u>

Source: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,433,767	\$ 1,391,478	\$ 1,413,653	\$ 1,472,220	\$ 1,472,531	\$ 1,575,644	\$ 1,620,711	\$ 1,621,942	\$ 1,388,476	\$ 1,382,996
Special education	314,714	277,620	352,552	367,099	398,205	420,289	387,728	391,874	716,031	719,810
Other instruction	137,217	140,180	139,427	144,123	153,257	143,946	148,265	150,921	157,638	158,756
Support services:										
Tuition	306,900	215,054	226,191	207,478	198,713	106,165	143,334	96,284	160,044	176,573
Student & instructional related services	482,257	461,773	476,964	503,894	503,262	524,576	483,197	498,003	474,289	545,792
School administration services	48,270	50,144	49,713	39,618	39,530	40,507	180,790	194,362	222,306	189,543
General & business administrative services	286,863	270,402	279,729	258,518	258,508	264,200	134,040	123,652	133,709	110,039
Plant operations & maintenance	173,644	180,567	166,885	207,719	193,533	209,533	194,143	193,862	203,677	212,643
Pupil transportation	121,188	91,679	117,933	66,622	79,118	47,575	34,353	26,507	36,451	70,365
Employee benefits	596,046	618,684	732,194	723,230	1,222,139	2,699,857	1,016,922	1,472,148	1,537,422	1,772,485
Interest on long-term debt	5,463	14,637	13,507	12,738	11,968	11,198	10,684	9,914	8,952	7,989
Capital outlay			493	494	494	1,103	9,674	22,301	47,082	72,766
Unallocated depreciation	41,460	38,008	38,008	38,008	121,669	64,503	65,333	64,715	34,365	53,723
Total governmental activities expenses	3,947,789	3,750,226	4,007,249	4,041,761	4,652,927	6,109,096	4,429,174	4,866,485	5,120,442	5,473,480
Business-type activities:										
Latchkey	34,764	48,966	44,283	41,572	52,605	43,316	43,499	44,894	40,437	26,690
Total business-type activities expenses	34,764	48,966	44,283	41,572	52,605	43,316	43,499	44,894	40,437	26,690
Total District-wide expenses	\$ 3,982,553	\$ 3,799,192	\$ 4,051,532	\$ 4,083,333	\$ 4,705,532	\$ 6,152,412	\$ 4,472,673	\$ 4,911,379	\$ 5,160,879	\$ 5,500,170
Program revenues:										
Governmental activities:										
Operating grants & contributions	\$ 733,149	\$ 687,455	\$ 733,250	\$ 692,295	\$ 1,184,439	\$ 2,604,623	\$ 432,022	\$ 450,880	\$ 458,539	\$ 458,069
Total governmental activities program revenues	733,149	687,455	733,250	692,295	1,184,439	2,604,623	432,022	450,880	458,539	458,069
Business-type activities:										
Charges for services:										
Latchkey	33,054	41,445	42,850	44,166	48,823	50,279	51,046	41,960	44,823	30,831
Total business-type activities revenues	33,054	41,445	42,850	44,166	48,823	50,279	51,046	41,960	44,823	30,831
Total District program revenues	\$ 766,203	\$ 728,900	\$ 776,100	\$ 736,461	\$ 1,233,262	\$ 2,654,902	\$ 483,068	\$ 492,840	\$ 503,362	\$ 488,900
Net (expense)/revenue:										
Governmental activities	\$ (3,214,640)	\$ (3,062,771)	\$ (3,273,999)	\$ (3,349,466)	\$ (3,468,488)	\$ (3,504,473)	\$ (3,997,152)	\$ (4,415,605)	\$ (4,661,903)	\$ (5,015,411)
Business-type activities	(1,710)	(7,521)	(1,433)	2,594	(3,782)	6,963	7,547	(2,934)	4,386	4,141
Total District-wide net expense	\$ (3,216,350)	\$ (3,070,292)	\$ (3,275,432)	\$ (3,346,872)	\$ (3,472,270)	\$ (3,497,510)	\$ (3,989,605)	\$ (4,418,539)	\$ (4,657,517)	\$ (5,011,270)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes	\$ 2,220,314	\$ 2,299,254	\$ 2,310,014	\$ 2,356,214	\$ 2,428,043	\$ 2,536,529	\$ 2,622,960	\$ 2,675,421	\$ 2,728,930	\$ 2,783,508
Taxes levied for debt service			33,765	32,995	32,225	31,455	30,684	34,914	33,952	32,990
Federal and state aid restricted	1,161,124	982,234	990,765	1,006,791	983,068	1,012,187	1,470,119	1,537,058	1,986,807	2,235,595
Tuition received		21,460	16,478		18,000	13,000	40,450	42,575	20,000	11,277
Miscellaneous income	55,814	3,472	6,927	1,170	386	6,219	4,092	8,202	3,514	9,506
Investment earnings	4,287	6,262	5,185	1,913	2,083	2,511	3,412	5,617	10,154	10,211
Prior year (receivable) payable canceled			3,004				(1,651)	(13,156)	(5,225)	
Contracts payable	(229,884)	327,962				58,098				
Prior period adjustment				(20,796)	(77,546)	(4,449)				
Total governmental activities	3,211,655	3,640,644	3,366,138	3,378,287	3,386,259	3,655,550	4,170,066	4,290,631	4,778,132	5,083,087
Total District-wide	\$ 3,211,655	\$ 3,640,644	\$ 3,366,138	\$ 3,378,287	\$ 3,386,259	\$ 3,655,550	\$ 4,170,066	\$ 4,290,631	\$ 4,778,132	\$ 5,083,087
Change in net position:										
Governmental activities	\$ (2,985)	\$ 577,873	\$ 92,139	\$ 28,821	\$ (82,229)	\$ 151,077	\$ 172,914	\$ (124,974)	\$ 116,229	\$ 67,676
Business-type activities	(1,710)	(7,521)	(1,433)	2,594	(3,782)	6,963	7,547	(2,934)	4,386	4,141
Total District	\$ (4,695)	\$ 570,352	\$ 90,706	\$ 31,415	\$ (86,011)	\$ 158,040	\$ 180,461	\$ (127,908)	\$ 120,615	\$ 71,817

Source: District records

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Restricted	\$ 5	\$ 236,422	\$ 435,979	\$ 497,533	\$ 611,018	\$ 682,889	\$ 897,807	\$ 1,168,212	\$ 1,240,351	\$ 1,274,430
Assigned	77,832	78,461	22,912	16,685	4,643	4,305	22,067	6,965	580	6,629
Unassigned	116,802	170,961	162,041	163,759	149,880	167,726	156,952	155,292	156,563	165,610
Total general fund	<u>\$ 194,639</u>	<u>\$ 485,844</u>	<u>\$ 620,932</u>	<u>\$ 677,977</u>	<u>\$ 765,541</u>	<u>\$ 854,920</u>	<u>\$ 1,076,826</u>	<u>\$ 1,330,469</u>	<u>\$ 1,397,494</u>	<u>\$ 1,446,669</u>
All other governmental funds:										
Restricted	\$ 140,737	\$ 51,989	\$ 51,989	\$ 31,194	\$ 31,194	\$ 29,933	\$ 29,933	\$ 29,933	\$ 29,933	\$ 29,933
Assigned			1	1	2	3	2	1	1	2
Total all other governmental funds	<u>\$ 140,737</u>	<u>\$ 51,989</u>	<u>\$ 51,990</u>	<u>\$ 31,195</u>	<u>\$ 31,196</u>	<u>\$ 29,936</u>	<u>\$ 29,935</u>	<u>\$ 29,934</u>	<u>\$ 29,934</u>	<u>\$ 29,935</u>

Source: District records

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Tax levy	\$ 2,220,314	\$ 2,299,254	\$ 2,343,779	\$ 2,389,209	\$ 2,460,268	\$ 2,567,984	\$ 2,653,644	\$ 2,710,335	\$ 2,762,882	\$ 2,816,498
Tuition charges		21,460	16,478		18,000	13,000	40,450	42,575	20,000	11,277
Interest earnings	4,287	6,262		1,913	2,038	2,511	3,412	5,617	10,154	10,211
Miscellaneous	55,814	3,472	12,111	1,170	386	6,219	4,092	7,622	3,514	9,506
State sources	1,430,469	1,489,888	1,594,707	1,564,360	1,642,086	1,710,518	1,778,143	1,858,613	1,919,478	1,887,948
Federal sources	212,127	179,746	129,307	134,726	124,304	140,409	123,998	129,905	153,956	190,330
Total revenue	3,923,011	4,000,082	4,096,382	4,091,378	4,247,082	4,440,641	4,603,739	4,754,667	4,869,984	4,925,770
Expenditures:										
Instruction:										
Regular instruction	1,433,767	1,391,478	1,413,653	1,472,220	1,472,531	1,575,644	1,632,245	1,624,672	1,375,757	1,380,021
Special education instruction	314,714	277,620	352,552	367,099	398,205	420,289	387,728	391,874	716,031	719,810
Other instruction	137,217	140,180	139,427	144,123	153,257	143,946	148,265	150,921	157,638	158,756
Support services:										
Tuition	306,900	215,054	226,191	207,478	198,713	106,165	143,334	96,284	160,044	176,573
Student & instruction related services	482,257	461,773	476,964	503,894	503,262	524,576	483,197	498,003	474,289	545,792
School administrative services	48,270	50,144	49,713	39,618	39,530	40,507	180,790	194,362	44,295	45,727
Other administrative services	286,863	270,402	279,729	258,518	258,508	264,200	134,040	123,652	311,720	253,855
Plant operations & maintenance	173,644	180,567	166,885	207,719	193,533	209,533	194,143	193,862	203,677	212,643
Pupil transportation	121,188	91,679	117,933	66,622	79,118	47,575	34,353	26,507	36,451	70,365
Employee benefits	596,046	618,684	732,194	723,230	813,790	931,881	1,001,734	1,130,517	1,236,798	1,207,297
Capital outlay	28,111	91,185	493	35,565	9,290	52,298	9,674	22,301	47,082	72,766
Debt services:										
Principal		20,000	20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000
Interest		14,534	13,764	12,994	12,224	11,454	10,684	9,914	8,952	7,989
Total expenditures	3,928,977	3,823,300	3,989,498	4,059,080	4,151,961	4,348,068	4,380,187	4,487,869	4,797,734	4,876,594
Excess (deficiency) of revenues over (under) expenditures	(5,966)	176,782	106,884	32,298	95,121	92,573	223,552	266,798	72,250	49,176
Other financing sources (uses):										
Prior period adjustment	27,493		3,004	(20,796)		(4,449)			(5,225)	
Total other financing sources (uses)	27,493		3,004	(20,796)		(4,449)			(5,225)	
Net change in fund balance	\$ 21,527	\$ 176,782	\$ 109,888	\$ 11,502	\$ 95,121	\$ 88,124	\$ 223,552	\$ 266,798	\$ 67,025	\$ 49,176
Debt service as a percentage of noncapital expenditures		0.93%	0.85%	0.83%	0.78%	0.74%	0.71%	0.79%	0.72%	0.69%

Source: District records

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

Fiscal Year Ended June 30,	Homeless Tuition	Tuition	Interest on Investments	Miscellaneous	Annual Totals
2011	\$ 29,234		\$ 4,287	\$ 26,580	\$ 60,101
2012			2,038	3,472	5,510
2013	16,478		5,185	6,927	28,590
2014			1,913	1,170	3,083
2015		\$ 18,000	2,038	386	20,424
2016		13,000	2,511	6,219	21,730
2017		40,450	3,412	4,092	47,954
2018		42,575	5,617	7,622	55,814
2019		20,000	10,154	3,514	33,668
2020		11,277	10,211	9,506	30,994

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2011	2,494,600	153,772,100	30,547,000	8,911,800	507,200	196,232,700	675,090	196,907,790	298,878,493	1.076
2012	2,492,600	153,714,000	32,844,000	7,411,800	507,200	196,969,600	483,976	197,453,576	305,915,129	1.143
2013	7,361,400	191,765,800	54,773,000	6,158,500	300,000	260,358,700	730,428	261,089,128	266,660,441	0.906
2014	7,266,700	191,390,700	50,974,700	6,167,800	300,000	256,099,900	657,377	256,757,277	260,980,707	0.944
2015	7,163,100	191,274,400	47,745,100	7,163,700	300,000	253,646,300	663,967	254,310,267	261,697,969	0.988
2016	7,078,400	191,407,600	47,045,400	7,234,700	300,000	253,066,100	661,277	253,727,377	264,568,430	1.029
2017	7,022,800	191,393,100	47,196,900	6,911,100	300,000	252,823,900	661,467	253,485,367	263,967,992	1.070
2018	5,444,500	191,444,300	46,643,200	6,911,100	300,000	250,743,100	647,817	251,390,917	262,878,676	1.078
2019	5,296,400	190,323,800	46,682,500	6,911,100	300,000	249,513,800	648,620	250,162,420	264,955,862	1.115
2020	5,274,500	190,501,700	47,610,300	6,776,100	300,000	250,462,600	(444,779)	250,017,821	269,566,870	1.138

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Woodbury Heights School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Gateway High School Tax Rate	Borough of Woodbury Heights	Local Library		Gloucester County
2011	1.076	0.000	1.076	1.447	1.206		0.897	4.626
2012	1.134	0.009	1.143	1.514	1.232		0.900	4.789
2013	0.893	0.013	0.906	1.16	1.021		0.659	3.746
2014	0.931	0.013	0.944	1.189	1.065		0.673	3.871
2015	0.975	0.013	0.988	1.234	1.103		0.720	4.045
2016	1.017	0.012	1.029	1.273	1.133		0.752	4.187
2017	1.058	0.012	1.070	1.320	1.158		0.750	4.298
2018	1.067	0.011	1.078	1.375	1.179		0.758	4.390
2019	1.101	0.014	1.115	1.418	1.21		0.774	4.517
2020	1.125	0.013	1.138	1.424	1.23		0.801	4.593

Source: Municipal Tax Collector

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

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Oak Valley Plaza, Inc.	11,658,000	1	4.66%			
Wawa, Inc.	2,555,500	2	1.02%			
Phalines & Gligor LLC	2,200,000	3	0.88%			
HCD Realty, LLC	2,112,200	4	0.84%			
Woodbury Heights Development, LLC	1,755,000	5	0.70%			
Balducci, Inc.	1,710,000	6	0.68%			
Genius One, LLC	1,557,600	7	0.62%			
Heights Plaza, LLC	1,362,500	8	0.54%			
Jonathon Advisors, LTD Partnership	1,341,800	9	0.54%			
American Paper Box, LLC	1,322,400	10	0.53%			
	<u>27,575,000</u>		11.02%			
				Information Not Available		

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 2,220,374	\$ 2,220,374	100.00%	
2012	2,220,314	2,220,314	100.00%	
2013	2,299,254	2,299,254	100.00%	
2014	2,343,779	2,343,779	100.00%	
2015	2,389,204	2,389,204	100.00%	
2016	2,460,268	2,460,268	100.00%	
2017	2,567,984	2,567,984	100.00%	
2018	2,653,644	2,653,644	100.00%	
2019	2,710,335	2,710,335	100.00%	
2020	2,816,498	2,816,498	100.00%	

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

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BAN's)			
2011	\$ 377,516				\$ 377,516	0.28%	124
2012	357,516		\$ 21,278		378,794	0.28%	125
2013	337,516		14,643		352,159	0.26%	117
2014	317,516		7,561		325,077	0.23%	108
2015	297,516				297,516	0.20%	99
2016	277,516				277,516	0.18%	92
2017	257,516				257,516	0.16%	86
2018	232,516				232,516	0.14%	78
2019	207,516				207,516	N/A	70
2020	182,516				182,516	N/A	N/A

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$ 377,516		\$ 377,516	0.19%	
2012	357,516		357,516	0.18%	118
2013	337,516		337,516	0.13%	112
2014	317,516		317,516	0.12%	105
2015	297,516		297,516	0.12%	99
2016	277,516		277,516	0.11%	92
2017	257,516		257,516	0.10%	86
2018	232,516		232,516	0.09%	78
2019	207,516		207,516	0.08%	70
2020	182,516		182,516	0.07%	N/A

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

WOODBURY HEIGHTS SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2020
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Woodbury Heights Borough (1)	\$ 3,591,650	100.00%	\$ 3,591,650
Gloucester County General Obligation Debt (2)	228,721,966	0.94%	2,149,986
Gateway Regional School District Debt (1)	4,340,000	29.68%	1,288,024
Subtotal, overlapping debt			7,029,660
Woodbury Heights - District direct debt			182,516
Total direct and overlapping debt			<u>\$ 7,212,176</u>

Sources:

- (1) Borough of Woodbury Heights annual debt statement
- (2) Gloucester County - The County's debt was apportioned to the Borough of Woodbury Heights by dividing the Borough's taxable assessed property values by the total taxable assessed property values for Gloucester County, which results in an apportionment rate of 0.94%.

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

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

	<u>Equalized valuation basis</u>
	2019 \$ 268,092,618
	2018 264,608,590
	2017 263,385,665
	<u>\$ 796,086,873</u>
Average equalized valuation of taxable property	<u>\$ 265,362,291</u>
Debt limit (2 1/2% of average equalized value)	\$ 6,634,057
Total net debt applicable to limit	<u>182,516</u>
Legal debt margin	<u>\$ 6,451,541</u>

	<u>Fiscal Year Ending June 30,</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 7,531,752	\$ 7,531,752	\$ 7,082,801	\$ 6,754,239	\$ 6,645,328	\$ 6,578,267	\$ 6,570,120	\$ 6,577,907	\$ 6,380,075	\$ 6,634,057
Total net debt applicable to limit	<u>377,516</u>	<u>357,716</u>	<u>337,516</u>	<u>317,516</u>	<u>297,516</u>	<u>277,516</u>	<u>257,516</u>	<u>232,516</u>	<u>207,516</u>	<u>182,516</u>
Legal debt margin	<u>\$ 7,154,236</u>	<u>\$ 7,174,036</u>	<u>\$ 6,745,285</u>	<u>\$ 6,436,723</u>	<u>\$ 6,347,812</u>	<u>\$ 6,300,751</u>	<u>\$ 6,312,604</u>	<u>\$ 6,345,391</u>	<u>\$ 6,172,559</u>	<u>\$ 6,451,541</u>
Total net debt applicable to the limit as a percentage of debt limit	5.01%	4.75%	4.77%	4.70%	4.48%	4.22%	3.92%	3.53%	3.25%	2.75%

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

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

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2011	3,053	\$ 132,765,811	\$ 43,487	7.10%
2012	3,041	135,455,263	44,543	7.30%
2013	3,021	137,029,539	45,359	5.50%
2014	3,021	140,929,650	46,650	4.80%
2015	3,016	147,735,744	48,984	5.30%
2016	3,002	150,118,012	50,006	5.10%
2017	2,996	157,307,976	52,506	4.40%
2018	2,974	162,811,630	54,745	4.20%
2019	2,964	N/A	N/A	3.50%
2020	N/A	N/A	N/A	N/A

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

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

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

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

* Represents information for Gloucester County.

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

Employer	2020			2011		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Amazon	4,500	1	N/A			
Rowan University	3,500	2	N/A	1,300	4	N/A
Inspira Health	2,051	3	N/A			N/A
Underwood Memorial Hospital				1,825	1	N/A
Jefferson Health	2,015	4	N/A			
Kennedy Health Alliance				1,200	5	N/A
Washington Township School District	1,550	5	N/A	1,504	2	N/A
Shop Rite	1,300	6	N/A			
County of Gloucester	1,200	7	N/A	1,500	3	N/A
US Foodservices	1,014	8	N/A	800	7	N/A
Monroe Township School District	805	9	N/A	714	8	N/A
Walmart - Turnersville	800	10	N/A			
Missa Bay LLC				950	6	N/A
Valero				640	9	N/A
Godwin Pumps				640	10	N/A
	18,735			11,073		

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

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

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	20	20	23	23	23	23	23	23	23	23
Special education	3	3	3	3	4	4	4	4	4	4
Support Services										
Student & instruction related services	2	2	2	2	2	2	2	2	2	2
General administration	0	0	1	1	1	1	1	1	1	1
Plants operations and maintenance	2	2	2	2	2	2	2	2	2	2
Other support services	1	1	2	2	2	2	2	2	2	2
Total	<u>28</u>	<u>28</u>	<u>33</u>	<u>33</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>

Source: District Personnel Records

WOODBURY HEIGHTS SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
2011	221	3,706,439	16,771	5.10%	20	11.05	220.4	210.3	0.09%	95%
2012	216	3,963,804	18,351	9.42%	20	10.80	217.7	208.1	-1.23%	96%
2013	230	3,998,762	17,386	-5.26%	23	10.00	223.5	213.2	2.66%	95%
2014	222	3,847,199	17,330	-0.32%	23	9.65	213.7	205.3	-4.38%	96%
2015	221	3,938,750	17,822	2.84%	27	8.19	220.3	209.6	3.09%	95%
2016	223	4,069,215	18,248	2.39%	27	8.26	224.2	213.5	1.77%	95%
2017	226	4,339,829	19,203	5.23%	27	8.37	226.2	215.1	0.87%	95%
2018	231	4,430,766	19,181	-0.11%	27	8.56	231.4	218.0	2.32%	94%
2019	235	4,716,700	20,071	4.64%	27	8.70	235.0	222.0	1.56%	94%
2020	245	4,770,839	19,473	-2.98%	27	9.07	245.3	236.8	4.38%	97%

Source: Enrollment based on annual October District count.

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

<u>District Building</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Elementary										
Square Feet	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671
Capacity (students)	259	259	259	259	259	259	259	259	259	259
Enrollment	221	216	230	222	221	223	226	231	235	245

Number of Schools at June 30, 2020

 Elementary = 1

Source: District Office

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

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

* School Facilities	Gross Square Footage	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Elementary	32,671	\$ 19,489	\$ 20,442	\$ 17,581	\$ 46,715	\$ 25,827	\$ 47,892	\$ 28,051	\$ 33,039	\$ 34,461	\$ 43,736	\$ 317,233

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

Source: District records.

WOODBURY HEIGHTS SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
Unaudited

The Woodbury Heights School District has retained insurance through the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The following is a summary of the coverage obtained through this fund.

	Coverage	
I. Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	\$ 150,000,000	Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000	Per Occurrence
2. Member District Deductible	500	Per Occurrence
3. Perils Included	"All Risk"	
B. Property Valuation		
1. Buildings and Contents	Replacement Cost	
2. Contractors Equipment	Actual Cash Value	
3. Automobiles	Actual Cash Value	
II. Boiler and Machinery		
A. Limit of Liability	125,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	1,000	
III. Crime		
A. Limit of Liability	500,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	500	
IV. General and Automobile Liability		
A. Limit of Liability	10,000,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
V. Workers' Compensation		
A. Limit of Liability	Statutory	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
VI. Educator's Legal Liability		
A. Limit of Liability	10,000,000	
1. GCSSDJIF Self Insured Retention	100,000	
2. Member District Deductible	None	
VII. Pollution Legal Liability		
A. Limit of Liability	3,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	25,000	
VIII. Cyber Liability		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	25,000	
IX. Violent Malicious Acts		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	15,000	
Public employees' faithful performance bonds - Hardenburgh Insurance		
Surety Bond - Charles Owens, Treasurer	135,000	
Surety Bond - Christopher Rodia, Business Administrator/ Board Secretary	20,000	

Source: District records.

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
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Nick L. Petroni, CPA, RMA

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Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

EXHIBIT K-1

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Woodbury Heights School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Woodbury Heights School District's basic financial statements, and have issued our report thereon dated January 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Woodbury Heights School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Woodbury Heights School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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


Compliance and Other Matters

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

Purpose of this Report

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

PETRONI & ASSOCIATES LLC



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

January 26, 2021

PETRONI & ASSOCIATES LLC

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Nick L. Petroni, CPA, RMA

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AUDIT
REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)*, AND NEW JERSEY
OMB'S CIRCULAR 15-08**

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Woodbury Heights School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Woodbury Heights School District's major state programs for the year ended June 30, 2020. Woodbury Heights School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the Woodbury Heights School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

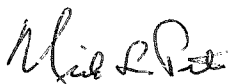
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements Woodbury Heights School District as of and for the year ended June 30, 2020, and have issued our report thereon dated January 26, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

January 26, 2021

WOODBURY HEIGHTS SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Cumulative Total Expenditures
					From	To	Deferred Revenue (Accts Receivable)	Due to Grantor						Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																	
Special Revenue Fund:																	
Title I, Part A	84.010A	S010A180030	NCLB587020	\$ 11,094	7/1/19	6/30/20				\$ 7,825	\$ 11,094					\$ (3,269)	\$ 11,094
Title I, Part A	84.010A	S010A180030	NCLB587019	29,721	7/1/18	6/30/19	\$ (26,452)			26,452							26,452
Subtotal							(26,452)			34,277	11,094					(3,269)	37,546
Title II- Part A	84.367A	S367A170029	NCLB587020	6,138	7/1/19	6/30/20				1,519	2,051					(532)	2,051
Title II- Part A	84.367A	S367A170029	NCLB587019	7,165	7/1/18	6/30/19	(2,633)			2,633							2,633
Subtotal							(2,633)			4,152	2,051					(532)	4,684
Title IV	84.424	S424A170031	NCLB574020	10,560	7/1/19	6/30/20				10,000	10,145					(145)	10,415
Title IV	84.424	S424A170031	NCLB574019	10,077	7/1/18	6/30/19	(9,517)			9,517							9,517
Subtotal							(9,517)			19,517	10,145					(145)	19,932
IDEA Part B, Basic	84.027	H027A180100	FT587020	203,797	7/1/19	6/30/20				131,604	162,540					(30,936)	162,450
IDEA Part B, Basic	84.027	H027A180100	FT587019	202,753	7/1/18	6/30/19	(110,640)			110,640							110,640
Subtotal							(110,640)			242,244	162,540					(30,936)	273,090
IDEA Part B Preschool	84.173	H173A180114	FT587020	11,023	7/1/19	6/30/20					4,500					(4,500)	4,500
IDEA Part B Preschool	84.173	H173A180114	FT587019	10,735	7/1/18	6/30/19	(4,714)			4,714							4,714
Subtotal							(4,714)			4,714	4,500					(4,500)	9,214
Total Special Revenue Fund							(153,956)			304,904	190,330					(39,382)	344,466
Total Federal Financial Awards							\$ (153,956)			\$ 304,904	\$ 190,330					\$ (39,382)	\$ 344,466

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

WOODBURY HEIGHTS SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018				Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2019			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Categorical Aid	20-495-034-5120-089	\$ 134,019	7/1/19	6/30/20			\$ 134,019	\$ 134,019					\$ 6,701	\$ 134,019
Equalization Aid	20-495-034-5120-078	827,436	7/1/19	6/30/20			827,436	827,436					80,220	827,436
Security Aid	20-495-034-5120-084	3,952	7/1/19	6/30/20			3,952	3,952					198	3,952
Extraordinary Aid	20-495-034-5120-044	2,531	7/1/19	6/30/20				2,531		\$ (2,531)				2,531
Nonpublic School Transportation Reimbursement	N/A	580	7/1/18	6/30/19	\$ (580)		580							580
Reimbursed TPAF Social Security Aid	20-495-034-5094-003	129,317	7/1/19	6/30/20			122,760	129,317		(6,557)				122,760
Reimbursed TPAF Social Security Aid	19-495-034-5094-003	127,730	7/1/18	6/30/19	(6,210)		6,210							127,730
On-Behalf TPAF Pension Contribution	20-495-034-5094-006	376,069	7/1/19	6/30/20			376,069	376,069						376,069
On-Behalf TPAF Post-retirement Medical Contributions	20-495-034-5094-001	139,515	7/1/19	6/30/20			139,515	139,515						139,515
On-behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	274	7/1/19	6/30/20			274	274						274
Total General Fund					(6,790)		1,610,815	1,613,113		(9,088)			87,119	1,734,866
Special Revenue Fund:														
NJ Nonpublic Aid														
Textbook Aid	20-100-034-5120-064	16,866	7/1/19	6/30/20			16,866	16,823				\$ 43		16,823
Auxiliary Services:														
Compensatory Education	20-100-034-5120-067	68,140	7/1/19	6/30/20			61,326	60,029		(6,814)		8,111		60,029
Compensatory Education	19-100-034-5120-067	66,836	7/1/18	6/30/19		\$ 6,685			\$ (6,685)					60,151
Transportation	20-100-034-5120-067	10,713	7/1/19	6/30/20			9,642	5,964		(1,071)		4,749		5,964
Transportation	19-100-034-5120-067	12,283	7/1/18	6/30/19		6,966			(6,966)					5,317
Home Instruction	19-100-034-5120-067	399	7/1/18	6/30/19	(399)		399							399
Handicapped Services:														
Corrective Speech	20-100-034-5120-066	67,444	7/1/19	6/30/20			60,698	56,871		(6,746)		10,573		56,871
Corrective Speech	19-100-034-5120-066	70,531	7/1/18	6/30/19		21,248			(21,248)					49,283
Examination and Classification	20-100-034-5120-066	42,371	7/1/19	6/30/20			37,796	32,156		(4,575)		10,215		32,156
Examination and Classification	19-100-034-5120-066	46,956	7/1/18	6/30/19		12,731			(12,731)					34,225
Supplementary Instruction	20-100-034-5120-066	30,275	7/1/19	6/30/20			27,171	29,547		(3,104)		728		29,547
Supplementary Instruction	19-100-034-5120-066	26,961	7/1/18	6/30/19		2,775			(2,775)					24,185
Nursing Services Aid	20-100-034-5120-070	31,137	7/1/19	6/30/20			31,137	31,137						31,137
Technology Initiative	20-100-034-5120-373	11,520	7/1/19	6/30/20			11,520	11,519				1		11,519
Security Aid	20-100-034-5120-509	66,250	7/1/19	6/30/20			62,250	23,693				38,557		23,693
Security Aid	19-100-034-5120-509	66,750	7/1/18	6/30/19		182			(182)					66,568
Total Special Revenue Fund					(399)	50,587	318,805	267,739	(50,587)	(22,310)		72,977		507,867
New Jersey School Development Authority														
Capital Projects Fund:														
SDA Grant		251,678	9/7/10	6/30/14	(22,056)						\$ (22,056)			251,678
Total Capital Projects Fund					(22,056)						(22,056)			251,678
Total State Financial Assistance					\$ (29,245)	\$ 50,587	\$ 1,929,620	\$ 1,880,852	\$ (50,587)	\$ (31,398)	\$ (22,056)	\$ 72,977	\$ 87,119	\$ 2,494,411
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution							\$ 376,069							
On-Behalf TPAF Post-retirement Medical Contributions							139,515							
On-behalf TPAF Non-Contributory Insurance							274							
Total for State Financial Assistance-Major Program Determination							\$ 1,364,994							

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

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Woodbury Heights School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$7,096 for the General Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	Federal	State	Total
General fund		\$ 1,620,209	\$ 1,620,209
Special revenue fund	\$ 190,330	267,739	458,069
	<u>\$ 190,330</u>	<u>\$ 1,887,948</u>	<u>\$ 2,078,278</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as the TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. The TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for the TPAF members for the year ended June 30, 2020.

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

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

NOTE 7: INDIRECT COST RATE

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

WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____yes _____X_____no

2) Significant deficiencies identified that are not considered to be material weaknesses? _____yes _____X_____none reported

Noncompliance material to financial statements noted? _____yes _____X_____no

Federal Awards

N/A

Internal Control over major programs:

1) Material weakness(es) identified? _____yes _____no

2) Significant deficiencies identified that are not considered to be material weaknesses? _____yes _____none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 SECTION .516(a)? _____yes _____no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? _____yes _____no

WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

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

Identification of major programs:

GMIS Number(s)

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

Name of State Program

State Aid Public Cluster:
Equalization Aid
Special Education Aid
Security Aid

WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

No matters were reported

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

FEDERAL AWARDS

Not applicable

STATE AWARDS

No matters were reported

WOODBURY HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings

Finding: 2019-001

Condition:

County Superintendent approval was not received for transfers made to the line item for central services.

Current Status:

Condition has been corrected.