

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT

Woodbury Heights, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT

WOODBURY HEIGHTS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Woodbury Heights Borough School District
Business Office**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditors' Report	10
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	15
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	36
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	37
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	38
Proprietary Funds:	
B-4 Statement of Net Position	41
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	42
B-6 Statement of Cash Flows	43
Notes to Financial Statements	46
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	86
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Community Development Block Grants - Budget & Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	91
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	94

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System	99
L-2 Schedule of District Contributions - Public Employees' Retirement System	100
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers' Pension and Annuity Fund	101
L-4 Schedule of School District Contributions Teachers' Pension and Annuity Fund (TPAF)	102
M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB)	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB	105
Notes to the Required Supplementary Information	108

OTHER SUPPLEMENTAL INFORMATION

D. School Based Budget Schedules (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	115
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	120
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis includes Student Activity and Scholarship Funds	121
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status -	122
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Statement of Net Position	128
G-2 Statement of Revenues, Expenses & Changes in Fund Net Position	129
G-3 Statement of Cash Flows	130
Internal Service Funds:	
G-4 Statement of Net Position	N/A
G-5 Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Statement of Cash Flows	N/A

	PAGE
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	135
I-2 Schedule of Obligations Under Capital Leases	136
I-3 Debt Service Fund Budgetary Comparison Schedule	137

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	140
J-2 Changes in Net Position	141
J-3 Fund Balances - Governmental Funds	143
J-4 Changes in Fund Balance - Governmental Funds	144
J-5 Other Local Revenue by Source - General Fund	145
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	146
J-7 Direct & Overlapping Property Tax Rates	147
J-8 Principal Property Taxpayers	148
J-9 Property Tax Levies & Collections	149
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	150
J-11 Ratios of General Bonded Debt Outstanding	151
J-12 Direct & Overlapping Governmental Activities Debt	151
J-13 Legal Debt Margin Information	152
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	153
J-15 Principal Employers	154
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	155
J-17 Operating Statistics	156
J-18 School Building Information	157
J-19 Schedule of Required Maintenance	158
J-20 Insurance Schedule	159

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	162
K-2 Independent Auditors' Report on Compliance for Each Major Program; and Report on Internal Control Over Compliance required by the Uniform Guidance and New Jersey OMB Circular 15-08	164
K-3 Schedule of Expenditures of Federal Awards, Schedule A	167
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	168
K-5 Notes to Schedules of Awards and Financial Assistance	169
K-6 Schedule of Findings & Questioned Costs	
Section I - Summary of Auditor's Results	171
Section II - Financial Statement Findings	173
Section III - Federal Awards and State Financial Assistance Findings & Questioned Costs	173
K-7 Summary Schedule of Prior Audit Findings	174

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INTRODUCTORY SECTION

WOODBURY HEIGHTS SCHOOL DISTRICT
100 ACADEMY AVENUE
WOODBURY HEIGHTS, NJ 08096
856-848-2610

Gateway Business Services

Phone: (856) 848 – 8203

Fax: (856) 848 - 4587

Janis Gansert
Interim Chief School Administrator
jgansert@woodburyhtselem.com

Christopher M. Rodia
School Business Administrator/Board Secretary
crodia@gatewayhs.com

February 14, 2022

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, 2021, 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 School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the School District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School 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 School District are included in this report. The Woodbury Heights Board of Education and its school constitute the School District's reporting entity. The School 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.

1) REPORTING ENTITY AND ITS SERVICES (CONTINUED):

The School District finished the 2020-21 fiscal school year with a resident enrollment of 229 students, which is a decrease of sixteen (16) students enrolled from the previous year.

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2020-2021	229.6	-6.40%
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%

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 2020-2021 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 School 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 School 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 School District and community by increasing shared services. These services are contracted through Gateway Regional High School include: business office, purchasing, cafeteria, child study team, maintenance and curriculum. This sharing of services allows the School District to enjoy a quality education program while realizing significant financial benefit.

The Board started construction on a more secure front entrance and more space for classrooms. The additional building is being used for educational space and office space as well as creating a more secure and inviting front entrance to the School District.

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

(GAAP). Internal control is designed to provide reasonable, but 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 School 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 School 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 School District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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 as of June 30, 2021.

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 School 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: As of June 30, 2021, the District's outstanding debt issues included \$1,935,516 of General Obligation Bonds.

8) CASH MANAGEMENT: The investment policy of the School District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The School District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units 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, Public School accountants and advisors. The accounting firm of Holt McNally & Associates, Inc., 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,

Janis Gansert

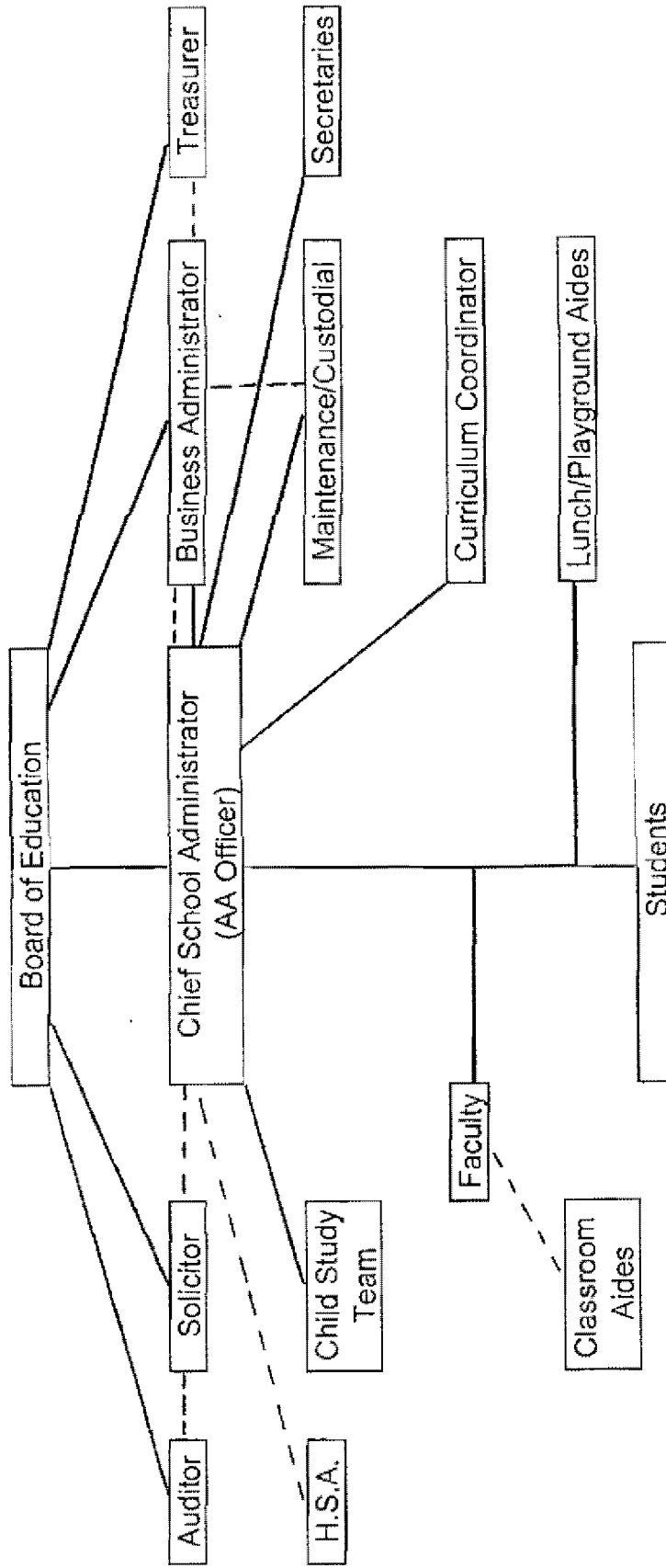
Janis Gansert
Chief School Administrator

Christopher M. Rodia

Christopher M. Rodia
School Business Administrator/
Board Secretary

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

ORGANIZATIONAL CHART



Direct Responsibility _____
Cooperative Responsibility - - - - -

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
Woodbury Heights, NJ 08097

ROSTER OF OFFICIALS
JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Kelleher, President	2021
John Morris, Vice President	2023
Donnetta Beatty	2023
Jeffrey Brenner	2021
Richard Gambale	2022
Shelle McGovern	2023
Stephanie Robinson	2022

OTHER OFFICIALS

Janis Gansert, Chief School Administrator
Christopher Rodia, School Business Administrator
Charles Owens, Treasurer
Joseph F. Betley, Esquire

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
Woodbury Heights, New Jersey 08097

CONSULTANTS AND ADVISORS

AUDIT FIRM

David McNally, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

SOLICITOR

Joseph F. Betley, Esq.
Capehart & Scatchard
Mount Laurel, New Jersey

OFFICIAL DEPOSITORY

1st Colonial Community Bank
Westville, NJ

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Woodbury Heights Borough School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Woodbury Heights Borough School District, County of Gloucester, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020, on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodbury Heights Borough School District's basic financial statements. The introductory section, combining and individual fund statements, long-term debt schedules, statistical section and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are

not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 fund statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 14, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The Management Discussion and Analysis (MD&A) of Woodbury Borough Heights School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended on June 30, 2021. 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 the basic financial statements to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021 fiscal year are as follows:

Woodbury Heights formally transferred \$110,000 into a capital reserve account to fund future capital projects and withdrew \$225,000 for capital projects bringing the total balance in the capital reserve to \$265,886 at fiscal year-end.

The overall General Fund - fund balance (budgetary basis) decreased \$48,878 from the prior fiscal year to \$1,484,712 as of June 30, 2021.

At the conclusion of the fiscal year, the district's Unassigned General Fund balance (budgetary basis) was \$287,550. The State of New Jersey limits the amount of unassigned fund balance to 4% of the adjusted general fund expenditures plus certain allowable adjustments. The amount of unassigned fund balance at the end of the current year is at the maximum allowed.

The amount of unassigned general fund balance in the School District's general fund on a GAAP basis was \$194,917. The difference between the budgetary basis and the GAAP basis is the final two State aid payments in the amount of \$92,633 which was recognized as revenue on a budgetary basis but not on a GAAP basis.

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 the Woodbury Heights Borough School District as a financial whole, an entire operating entity. Required supplementary information and other supplementary information proceed to provide an increasingly detailed look at specific financial activities.

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing of service that can be provided by the governmental along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. In the case of Woodbury Heights Borough School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Government-Wide Financial Statements

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 asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting take into account all of the current year's revenues and expenditures, regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. 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 others.

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, but not limited to, instruction, support services, operation and maintenance of plant facilities and pupil transportation.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis in order to recover all the expenses of the goods or services provided. The Project Safekeep, enterprise fund is reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental funds 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.

Proprietary Funds

The School District maintains one proprietary fund type, enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs of providing goods or services be financed through user charges. The project safekeep enterprise fund provides for the operation of childcare services in the School District's elementary school. The proprietary fund has been included within the business-type activities in the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The School District as a Whole (continued)

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, 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 fiscal year 2021 compared to fiscal year 2020.

TABLE I - NET POSITION

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
ASSETS				
Current Assets	\$ 2,281,890	\$ 1,627,430	\$ 32,102	\$ 33,039
Capital Assets, Net	1,649,753	423,952	-	-
Total Assets	3,931,643	2,051,382	32,102	33,039
Deferred Outflows of Resources	117,824	101,292	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,049,467	\$ 2,152,674	\$ 32,102	\$ 33,039
LIABILITIES				
Current Liabilities	\$ 146,412	\$ 150,826		
Noncurrent Liabilities	2,444,800	663,639		
Total Liabilities	2,591,212	814,465	-	-
Deferred Inflows of Resources	206,835	154,270	-	-
Total Liabilities and Deferred Inflows of Resources	2,798,047	968,735	-	-
NET POSITION				
Net Investment in Capital Assets	(327,299)	241,436		
Restricted	1,970,291	1,310,994		
Unrestricted (Deficit)	(391,572)	(368,491)	32,102	33,039
Total Net Position	\$ 1,251,420	\$ 1,183,939	\$ 32,102	\$ 33,039

The School District's combined net position was \$1,283,522 on June 30, 2021. This was an increase of \$66,544 or 5% from the prior year. For both the Governmental and Business-Type activities, the largest

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

component of net position is Unrestricted Net Position. Below are explanations for the large fluctuations from prior to current year:

- The increase in noncurrent liabilities is primarily due to a bond sale during the current year of \$1,778,000.
- The increase in Restricted Net Position of 659,297, or 50%, is primarily due to capital projects in the current year.
- Although the School District's overall financial performance increased from the prior year, the primary reason for the decrease of \$24,018 in unrestricted (deficit) in net position is the amount bond proceeds used to continue construction projects in the current year.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The School District as a Whole (continued)

Table 2 provides a summary of the School District's changes in net position for fiscal year 2021 compared to fiscal year 2020.

**TABLE 2
CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Revenues:				
Program Revenues:				
Charges for Services	\$ 6,536		\$ -	\$ 30,831
Operating Grants & Contributions	1,998,600	458,069		
General Revenues				
Property Taxes	2,871,206	2,816,498		
Grants & Entitlements	1,655,425	2,235,595		
Miscellaneous	32,203	30,994		
Total Revenues	6,563,970	5,541,156	-	30,831
Function/Program Expenditures:				
Instruction	2,343,879	2,261,562		
Support Services	3,984,091	3,077,440		
Capital Outlay	20,806	72,766		
Depreciation	49,847	53,723		
Interest and Other Charges	43,443	7,989		
Other Enterprise			937	26,690
Total Expenses	6,442,066	5,473,480	937	26,690
Increase in Net Position before Transfers	121,904	67,676	(937)	4,141
Changes in Net Position	121,904	67,676	(937)	4,141
Net Position- July 1	1,183,939	1,116,263	33,039	28,898
Prior Period Adjustment	(54,423)			
Net Position- June 30	\$ 1,251,420	\$ 1,183,939	\$ 32,102	\$ 33,039

Below are explanations for the large fluctuations from prior to current year:

- The School District's special education expense increased by \$373,958 along with an increase in On-Behalf TPAF expense of \$106,127.
- The School District's Project Safekeep expense decreased 25,753 from the prior fiscal year. The primary reason was due to the change in operations from COVID-19.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Analysis of the Government's Funds

All governmental funds (i.e., general fund, special revenue fund, capital project fund and debt service fund) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$7,046,906 and expenditures were \$6,343,665. The net change in fund balance for the year was an increase of \$703,241. As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Table 3 provides a summary of the governmental funds revenues for fiscal year 2021 compared to fiscal year 2020.

**Table 3
Summary of Governmental Fund Revenues**

	6/30/2021	6/30/2020	Increase/ (Decrease)	Percentage Change
Local Sources:				
Local Tax Levy	\$ 2,871,206	\$ 2,816,498	\$ 54,708	1.94%
Tuition	14,100	11,277	2,823	25.03%
Miscellaneous	24,639	19,717	4,922	24.96%
State Sources	2,128,091	1,887,948	240,143	12.72%
Federal Sources	210,064	190,330	19,734	10.37%
	<u>\$ 5,248,100</u>	<u>\$ 4,925,770</u>	<u>\$ 322,330</u>	6.54%

Revenues increased by \$322,330 or 6.54% over the prior year. Below are explanations for the large fluctuations from prior to current year:

- The increase in federal revenue is related to COVID award monies spent in response to the pandemic throughout the year.
- The increase in State Sources of \$240,143 is primarily related to an increase in On-Behalf TPAF Contributions reported for the current year. This represents noncash assistance from the State of New Jersey that the District is required to report on an annual basis.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Analysis of the Government's Funds (continued)

Table 4 is summary of governmental fund expenditures for fiscal year 2021 compared to fiscal year 2020.

**Table 4
Summary of Governmental Fund Expenditures**

	6/30/2021	6/30/2020	Increase/ (Decrease)	Percentage Change
Instruction				
Regular Instruction	\$ 1,404,532	\$ 1,380,021	\$ 24,511	1.78%
Special Education Instruction	763,647	719,810	43,837	6.09%
Other Instruction	174,509	146,563	27,946	19.07%
School sponsored activities	6,475	12,193	(5,718)	-46.90%
Support Services & Undistributed Costs:				
Student & Instruction Related Services	744,290	722,365	21,925	3.04%
General Administrative Services	198,983	189,543	9,440	4.98%
School Administrative Services	46,292	45,727	565	1.24%
Central Services	87,288	64,312	22,976	35.73%
Plant Operations & Maintenance	202,042	212,643	(10,601)	-4.99%
Pupil Transportation	117,806	70,365	47,441	67.42%
Unallocated Benefits	1,298,300	1,207,297	91,003	7.54%
Capital Outlay	1,267,474	72,766	1,194,708	1641.85%
Debt Service:				
Principal	25,000	25,000	-	0.00%
Interest & Other Charges	7,027	7,989	(962)	-12.04%
	<u>\$ 6,343,665</u>	<u>\$ 4,876,594</u>	<u>\$ 1,467,071</u>	<u>30.08%</u>

Governmental fund expenditures increased \$1,467,071 over the prior year or 30.08%. Below are explanations for the large fluctuations from prior to current year:

- This increase of \$1,194,708 in capital outlay is primarily attributed to the construction within the School District.
- Increases in the Regular Instruction and Special Education Instruction are due to current year needs of the student population.

General Fund

The General Fund fund balance decreased by \$54,590 during the current fiscal year.

As of June 30, 2021, the District has an unassigned fund balance of \$194,917. The School District designated \$445,323 in excess surplus for the subsequent years' expenditures, which is restricted for the subsequent years' budget. Current year excess surplus was \$450,774. Additionally, the District maintains a capital reserve restricted fund balance in the amount of \$265,886 for future capital improvements. \$2,531 is assigned and designated for subsequent years' expenditures and \$32,648 is recorded in encumbrances and assigned to other purposes.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Analysis of the Government's Funds (continued)

Special Revenue Fund

The Special Revenue Fund saw an increase in expenditures and resulting revenues in the current year of \$95,009. This increase is primarily due to the funding of COVID federal awards.

Capital Projects Fund

As of June 30, 2021, the District's Capital Projects Fund - fund balance was \$756,826. This represents an increase of \$726,893 during the current year as a result of the continuation of capital referendum projects during the current year.

Debt Service Fund

As of June 30, 2021, the District's Debt Service Fund - fund balance was \$29,935. This represents an increase of \$29,933. The increase in fund balance was generated from the transfer of unexpended bond proceeds in the Capital Projects Fund. The balance will be utilized to fund future principal and interest payments.

General Fund Budgeting Highlights

Final budgeted revenues were \$3,863,073, which was a decrease of \$90,294 from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded estimated revenues by \$53,327.

Final budgeted appropriations were \$4,318,251 in addition to \$225,000 which was transferred to Capital Projects, which was a decrease of \$84,245 from the original budget. The decrease is primarily due to prior year reserve for encumbrances, which increase budget appropriations in the subsequent fiscal year's budget offset by a state aid reduction of \$90,294. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$557,167.

As previously mentioned, the School District's general fund budgetary basis fund balance (Exhibit C-1) was \$1,484,712 at June 30, 2021, a decrease of \$48,878 from the prior year.

Proprietary Funds

Table 5 is summary of combined proprietary fund revenues and expenses for fiscal year 2021 compared to fiscal year 2020.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Proprietary Funds (continued)

**Table 5
Summary of Proprietary Fund Revenues and Expenditures**

	6/30/2021	6/30/2020	Increase/ (Decrease)	Percentage Change
Operating Revenues:				
Charges for service:	\$	30,831	\$ (30,831)	-100.00%
Operating Expenses:	937	26,690	(25,753)	-96.49%
Change in Net Position	(937)	4,141	(5,078)	-122.63%
Net Position Beginning	33,039	28,898	5,078	17.57%
Net Position Ending	32,102	33,039	(30,831)	-93.32%

The School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Project Safekeep Fund's net position decreased by \$937 to \$32,102.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$1,649,753 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. Overall, the capital assets increased by \$1,225,801 from fiscal year 2020 to fiscal year 2021. The primary reason for the increase is due to the construction of and renovations to the School District's Elementary School. Table 6 shows combining 2021 balances compared to 2020.

**Table 6
Summary of Capital Assets - Governmental Activities**

	2021	2020	Increase/ Decrease
Governmental Activities:			
Construction in Progress	\$ 1,246,174		\$ 1,246,174
Site & Site Improvements	15,802	15,802	-
Building & Improvements	1,723,908	1,723,908	-
Equipment	340,170	310,696	29,474
Less: Accumulated Depreciation	(1,676,301)	(1,626,454)	(49,847)
	<u>1,649,753</u>	<u>423,952</u>	<u>1,225,801</u>

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
WOODBURY HEIGHTS, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Combined depreciation expense for the year was \$49,847. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

At the end of the current fiscal year, the School District had total bonded debt outstanding of \$1,935,516 which is an increase of \$1,753,000 from the prior year. During the year, the School District entered into two capital lease agreements in the total amount of \$20,806. Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

The other largest component of the School District's long-term debt is the net pension liability related to PERS. During fiscal year 2021 the net pension liability decreased \$36,566 to \$400,399. The \$400,399 is the net pension liability as of the June 30, 2020 measurement date. More information on Pensions can be found in Note 8 of this report.

At December 31, 2020, the School District's overall legal debt limit was 6,588,007. The School District's net debt applicable to the limit was \$1,935,516 or 29.38% of the debt limit. More information can be found in the Statistical Section of this report (J-13).

For the Future

This administration and Board of Education fully understands the dynamics of strategic thinking and have established a collaborative decision-making process that incorporates a deliberate approach to strategic planning initiatives. Resources are evaluated, needs assessed, and progress measured. Key decisions are examined in scenario-based discussions and final goals are established after consideration from all stakeholders.

The School District is proud of its community support of the public schools. A major concern is the sustained enrollment of the School 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.

Requests for Information

This financial report is designed to provide a general overview of the Woodbury Heights Borough School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary, Christopher M. Rodia, located at 100 Academy Avenue, Woodbury Heights New Jersey 08097. Please visit our website at: www.woodburyhtselem.com.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 1,054,526	\$ 32,102	\$ 1,086,628
Receivables, Net (Note 4)	160,801		160,801
Restricted Cash and Cash Equivalents	1,066,563		1,066,563
Capital Assets, Net (Note 5)			
Non-depreciable	1,246,174		1,246,174
Assets net of depreciation	403,579		403,579
Total Assets	3,931,643	32,102	3,963,745
DEFERED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	117,824	-	117,824
Total Deferred Outflow of Resources	117,824	-	117,824
Total Assets and Deferred Outflow of Resources	4,049,467	32,102	4,081,569
LIABILITIES			
Due to Other Governments	28,987	-	28,987
Accounts Payable	37,129	-	37,129
Intergovernmental payable - State	12,051		12,051
Payroll Taxes Payable	30,578		30,578
Unearned Revenue	1,745	-	1,745
Accrued Interest Payable	35,922	-	35,922
Noncurrent Liabilities (Note 7):			
Due Within One Year	43,999	-	43,999
Due Beyond One Year	2,400,801	-	2,400,801
Total Liabilities	2,591,212	-	2,591,212
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	206,835	-	206,835
Total Deferred Inflows of Resources	206,835	-	206,835
Total Liabilities and Deferred Inflows of Resources	2,798,047	-	2,798,047
NET POSITION			
Net Investment in Capital Assets	(327,299)		(327,299)
Restricted For:			
Capital Projects	1,022,712		1,022,712
Debt Service	29,935		29,935
Excess Surplus	896,097		896,097
Student Activities	21,547		21,547
Unrestricted	(391,572)	32,102	(359,470)
Total Net Position	\$ 1,251,420	\$ 32,102	\$ 1,283,522

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 1,399,248	\$ -	\$ 407,513	\$ (991,735)	\$ -	\$ (991,735)
Special Education Instruction	763,647	-	-	(763,647)	-	(763,647)
Other Instruction	174,509	-	-	(174,509)	-	(174,509)
School Sponsored Activities	6,475			(6,475)	-	(6,475)
Support Services & Undistributed Costs:						
Student & Instruction Related Services	744,290	6,536	140,034	(597,720)	-	(597,720)
General Administrative Services	198,983	-	-	(198,983)	-	(198,983)
School Administrative Services	46,292	-	-	(46,292)	-	(46,292)
Central Services	87,288	-	-	(87,288)	-	(87,288)
Plant Operations & Maintenance	194,947	-	-	(194,947)	-	(194,947)
Pupil Transportation	117,806	-	-	(117,806)	-	(117,806)
Unallocated Benefits	2,594,485	-	1,451,053	(1,143,432)	-	(1,143,432)
Capital Outlay	20,806			(20,806)	-	(20,806)
Interest and Other Changes on Long-Term Debt	43,443	-	-	(43,443)	-	(43,443)
Unallocated Depreciation	49,847	-	-	(49,847)	-	(49,847)
Total Governmental Activities	\$ 6,442,066	\$ 6,536	\$ 1,998,600	\$ (4,436,930)	\$ -	\$ (4,436,930)
Business-type activities						
Project Safekeep	937				(937)	(937)
Total Primary Government	\$ 6,443,003	\$ 6,536	\$ 1,998,600	\$ (4,436,930)	\$ (937)	\$ (4,437,867)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				2,839,179		2,839,179
Property Taxes Levied for Debt Service				32,027		32,027
Federal & State Aid Not Restricted				1,655,425		1,655,425
Tuition - From Individuals and Other LEA's				14,100		14,100
Interest on Capital Reserve				328		328
Miscellaneous Income				17,775		17,775
Total General Revenues & Transfers				4,558,834	-	4,558,834
Change In Net Position				121,904	(937)	120,967
Net Position - July 1				1,183,939	33,039	1,216,978
Prior Period Adjustment				(54,423)		(54,423)
Net Position - July 1 as Restated				1,129,516	33,039	1,162,555
Net Position - Ending				\$ 1,251,420	\$ 32,102	\$ 1,283,522

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

B. Fund Financial Statements

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Governmental Funds

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WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	DEBT SERVICE FUND	TOTALS
Assets:					
Cash & Cash Equivalents	\$ 1,130,913	\$ -	\$ 770,742	\$ 29,935	\$ 1,931,590
Accounts Receivable:					
Federal Aid		113,463			113,463
State Aid	44,739				44,739
Other		2,599			2,599
Interfund Receivable	2				2
Restricted Cash & Cash Equivalents	265,886				265,886
Total Assets	1,441,540	116,062	770,742	29,935	2,358,279
Liabilities & Fund Balances:					
Liabilities:					
Cash Deficit		76,387			76,387
Accounts Payable	18,883	4,330	13,916		37,129
Intergovernment Payable - State		12,051			12,051
Payroll Taxes Payable	30,578				30,578
Unearned Revenue		1,745			1,745
Interfund Payable		2		-	2
Total Liabilities	49,461	94,515	13,916	-	157,892
Fund Balances:					
Restricted for:					
Capital Reserve Account	265,886				265,886
Excess Surplus	450,774				450,774
Excess Surplus Designated for Subsequent Year's Expenditures	445,323				445,323
Student Activities		21,547			21,547
Capital Projects			756,826		756,826
Debt Service Fund				29,935	29,935
Assigned to:					
Designated for Subsequent Year's Expenditures	2,531				2,531
Year-end encumbrances	32,648				32,648
Unassigned:					
General Fund	194,917				194,917
Total Fund Balances	1,392,079	21,547	756,826	29,935	2,200,387
Total Liabilities & Fund Balances	\$ 1,441,540	\$ 116,062	\$ 770,742	\$ 29,935	

Amounts reported for *Governmental Activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,326,054 and the accumulated depreciation is \$1,676,301.

1,649,753

Accrued interest payable is not recorded in the fund financials due to the fact that payables are not due in the current period.

(35,922)

Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred Outflows Related to Pensions

117,824

Deferred Inflows Related to Pension

(206,835)

Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(28,987)

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 7)

(2,444,800)

Net Position of Governmental Activities

\$ 1,251,420

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECT FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,839,179			\$ 32,027	\$ 2,871,206
Tuition From Individuals	600				600
Tuition From Other LEAs Within the State	13,500				13,500
Interest on Capital Reserve	328				328
Miscellaneous	17,775	\$ 6,536			24,311
Total Revenues - Local Sources	2,871,382	6,536	-	32,027	2,909,945
State Sources	1,790,608	337,483		-	2,128,091
Federal Sources	-	210,064	-	-	210,064
Total Revenues	4,661,990	554,083	-	32,027	5,248,100
Expenditures:					
Current Expense:					
Regular Instruction	1,404,532				1,404,532
Special Education Instruction	356,134	407,513			763,647
Other Instruction	174,509				174,509
School sponsored activities	6,475				6,475
Support Services & Undistributed Costs:					
Student & Instruction Related Services	598,725	145,565			744,290
General Administrative Services	198,983				198,983
School Administrative Services	46,292				46,292
Central Services	87,288				87,288
Plant Operations & Maintenance	202,042				202,042
Pupil Transportation	117,806				117,806
Unallocated Benefits	1,298,300				1,298,300
Capital Outlay	21,300		\$ 1,246,174		1,267,474
Debt Service:					
Principal				25,000	25,000
Interest & Other Charges				7,027	7,027
Total Expenditures	4,512,386	553,078	1,246,174	32,027	6,343,665
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	149,604	1,005	(1,246,174)	-	(1,095,565)
Other Financing Sources/(Uses):					
Operating Transfer In:					
Transfers		-	(29,933)	29,933	-
Capital Lease (Non-budgeted)	20,806				20,806
Bond Proceeds			1,778,000		1,778,000
Capital reserves to Capital Projects	(225,000)		225,000		-
Total Other Financing Sources/(Uses)	(204,194)	-	1,973,067	29,933	1,798,806
Net Change in Fund Balance	(54,590)	1,005	726,893	29,933	703,241
Fund Balances, July 1	1,446,669	-	29,933	2	1,476,604
					-
Prior Period Adjustment		20,542			20,542
Fund Balances, July 1 Restated	1,446,669	20,542	29,933	2	1,497,146
Fund Balances, June 30	\$ 1,392,079	\$ 21,547	\$ 756,826	\$ 29,935	\$ 2,200,387

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

**WOODBURY HEIGHTS BOROUGH 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, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	703,241
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Amounts reported for governmental activities in the statement of activities (A-2)
are different because:

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

Capital Outlays	\$	1,246,174	
Depreciations Expense		<u>(49,847)</u>	1,196,327

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.	42,876
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Repayment of bond 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.

Bond Principal Payments	25,000
Capital Lease Obligation Principal Payments	12,379
Capital Lease Obligation Proceeds	(20,806)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,778,000)
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Net Difference Accrued interest on bonds and capital leases is not recorded in fund financial statements

Prior year	-
Current Year	(35,922)

(Increase)/Decrease in accrual for compensated absences		<u>(23,191)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>121,904</u></u>
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Proprietary Funds

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	<u>ENTERPRISE</u>		
	<u>FUNDS</u>		
	PROJECT		TOTALS
ASSETS	SAFEKEEP		
Cash & Cash Equivalents	\$ 32,102	\$ 32,102	
Total Assets	32,102	32,102	
NET POSITION			
Unrestricted	32,102	32,102	
Total Net Position	\$ 32,102	\$ 32,102	

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS	
	<u>PROJECT</u>				
	SAFEKEEP				
Operating Expenses:					
Salaries & Benefits	\$	761	\$	761	
Supplies & Materials		176		176	
Total Operating Expenses		937		937	
Operating Income/(Loss)		(937)		(937)	
Change in Net Position		(937)		(937)	
Total Net Position - Beginning		33,039		33,039	
Total Net Position - Ending	\$	32,102	\$	32,102	

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PROJECT SAFEKEEP		TOTALS
Cash Flows From Operating Activities:			
Payments to Employees & Benefits	\$ (761)	\$	(761)
Payments to Suppliers	(176)		(176)
Net Cash Provided/(Used) by Operating Activities	(937)		(937)
Net Increase/(Decrease) in Cash & Cash Equivalents	(937)		(937)
Balances - Beginning of Year	33,039		33,039
Balances - Ending of Year	\$ 32,102	\$	32,102
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (937)	\$	(937)
Net Cash Provided/(Used) by Operating Activities	\$ (937)	\$	(937)

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Woodbury Heights Borough School District (the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Woodbury Heights Borough School District (hereafter referred to as the “School District”) is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through six.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

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

Component Units

GASB Statement No.14. The Financial Reporting Entity provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB 61, The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34, and GASB 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2021.

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

Proprietary Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Project Safekeep Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The District reports the following major governmental funds:

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

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

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

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

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.

The School District reports the following major proprietary funds:

Project Safekeep – This fund accounts for the financial transactions pertaining to the School District's childcare program.

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

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

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

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

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

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

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

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

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

Compensated Absences

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

Interfund Activity

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

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "Fiduciary Activities". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District's financial statements for the year ended June 30, 2021 with a prior period restatement to beginning net position. See Note 20 for further details.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

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

effective for reporting periods beginning after December 15, 2019.

Recently Issued Accounting Pronouncements

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

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 2. Deposits and Investments (continued):

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$2,789,446 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 2,734,222
Uninsured and Uncollateralized	<u>55,224</u>
	<u><u>\$ 2,789,446</u></u>

Investments

The School District has no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 3. Reserve Accounts

Capital Reserve (Continued)

Beginning Balance, July 1, 2020	\$ 380,558
Increased by:	
Interest Earnings	328
Deposits approved by Board	<u>110,000</u>
	490,886
Decreased by:	
Budget Withdrawals	<u>(225,000)</u>
Ending Balance, June 30, 2021	<u><u>\$ 265,886</u></u>

Note 4. Accounts Receivable

Accounts receivable as of June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards		\$ 113,463	\$ 113,463
State Awards	44,739		44,739
Other		2,599	2,599
	<hr/>		
Total	<u>\$ 44,739</u>	<u>\$ 116,062</u>	<u>\$ 160,801</u>

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Construction in Progress		\$ 1,246,174	\$ -	\$ 1,246,174
Total Capital Assets not being depreciated	-	1,246,174	-	1,246,174
Capital Assets being depreciated:				
Site Improvements	\$ 15,802	\$ -	\$ -	\$ 15,802
Buildings and Improvements	1,723,908			1,723,908
Machinery & Equipment	340,170			340,170
Total Capital Assets being depreciated	2,079,880	-	-	2,079,880
Less: Accumulated Depreciation:				
Site Improvements	(15,802)			(15,802)
Buildings and Improvements	(1,309,020)	(42,591)		(1,351,611)
Machinery & Equipment	(301,632)	(7,256)		(308,888)
Total Accumulated Depreciation	(1,626,454)	(49,847)	-	(1,676,301)
Total Capital Assets being depreciated, net	453,426	(49,847)	-	403,579
Total Governmental Activities Capital Assets, net	\$ 453,426	\$ 1,196,327	\$ -	\$ 1,649,753

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 2	
Special Revenue Fund		\$ 2
	<u>\$ 2</u>	<u>\$ 2</u>

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

There were interfund transfers for the year ended June 30, 2021 as follows:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 6. Interfund Receivables, Payables and Transfers (Continued)

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund		\$ 29,933
Debt Service Fund	29,933	
	<u>\$ 29,933</u>	<u>\$ 29,933</u>

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Balance</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 182,516	\$ 1,778,000	\$ 25,000	\$ 1,935,516	\$ 30,000
Capital Leases	33,109	20,806	12,379	41,536	13,999
Compensated Absences	44,158	23,191		67,349	-
Net Pension Liability	436,965		36,566	400,399	-
	<u>\$ 696,748</u>	<u>\$ 1,821,997</u>	<u>\$ 73,945</u>	<u>\$ 2,444,800</u>	<u>\$ 43,999</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On March 1, 2011, the School District issued \$377,516 General Obligation Refunding Bonds 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, 2021, was \$157,516.

On July 16, 2020, the School District issued \$1,778,000 General Obligation Bonds payable in annual installments through July 15, 2035. Interest is paid semi-annually at an interest rate of 2%.

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 7. Long-Term Obligations (continued):

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 30,000	\$ 51,924	\$ 81,924
2023	118,000	34,240	152,240
2024	130,000	32,800	162,800
2025	133,000	30,800	163,800
2026	144,516	28,700	173,216
2027-2031	620,000	107,800	727,800
2032-2036	760,000	39,700	799,700
	<u>\$ 1,935,516</u>	<u>\$ 325,964</u>	<u>\$ 2,261,480</u>

Capital Lease Payable

In December 2019, the School District entered into an energy efficiency program lease purchase agreement for \$35,474. The lease obligation was issued with an interest rate of 0% and matures in February 2025.

In August 2020, the School District entered into a lease purchase agreement for \$18,002. The lease obligation was issued with an interest rate of 6.5% and matures in August 2023.

In October 2020, the School District entered into a lease purchase agreement for \$2,804. The lease obligation was issued with an interest rate of 6.5% and matures in August 2023.

The following is a schedule of future minimum lease payments under capital leases as of June 30, 2021:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 13,999	\$ 774	\$ 14,773
2023	14,442	330	14,772
2024	8,365	10	8,375
2025	4,730		4,730
	<u>\$ 41,536</u>	<u>\$ 1,114</u>	<u>\$ 42,650</u>

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/gasb-notices.shtml.

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$400,399 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.0024553234%, which was an increase of 0.0000302316% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$(16,017) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 7,291	\$ 1,416
Changes of Assumptions	12,989	167,651
Net Difference between Projected and Actual Earnings on Pension Plan Investments	13,686	37,768
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	54,871	-
School District Contributions Subsequent to Measurement Date	<u>28,987</u>	<u></u>
	<u>\$ 117,824</u>	<u>\$ 206,835</u>

\$28,987 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Year Ending <u>June 30,</u>	<u>Amount</u>
2021	\$ (50,736)
2022	(35,097)
2023	(13,496)
2024	(10,001)
2025	<u>(8,668)</u>
	<u>\$ (117,998)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020		5.16

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Net Difference between Projected
and Actual Earnings on Pension

Plan Investments

Year of Pension Plan Deferral:

June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	

Changes in Proportion and Differences
between Contributions and

Proportionate Share of Contributions

Year of Pension Plan Deferral:

June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Inflation

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service

Investment Rate of Return	7.00%
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Mortality Rate Table

Pub-2010 General classification headcount weighted mortality with
fully generational mortality improvement projections from the central
year using Scale MP-2020

Period of Actuarial Experience

Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018
--	------------------------------

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-2020.

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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 507,999	\$ 400,399	\$ 314,918

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.002455323%	0.002425092%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/gasb-notices.shtml.

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

The following represents the membership tiers for TPAF:

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$11,091,398. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. As of June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0168437375%, which was a decrease of .00001567082% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$689,710 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>13,028,144</u>	<u>11,091,398</u>	<u>9,483,254</u>
	<u>\$ 13,028,144</u>	<u>\$ 11,091,398</u>	<u>\$ 9,483,254</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.016843738%	0.017000446%

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
-

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

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

For the year ended June 30, 2021, employee contributions totaled \$6,805, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$5,011.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future 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-2020. 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-2020.

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

The actuarial assumptions used in the June 30, 2019 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, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$12,910,530. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the School District was based on projection of the State's long-term contributions to the OPEB plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.01903%, which was a decrease of 0.00044% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$626,160 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 15,564,310	\$ 12,910,530	\$ 10,835,529
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,421,815	\$ 12,910,530	\$ 15,874,036
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued)

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	4,704,163,473
	<u>\$ 4,921,365,558</u>

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	<u>366,108</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (Continued)

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u><u>\$ 67,809,962,608</u></u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs, post-retirement medical costs and non-contributory insurance costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for normal costs, post-retirement medical costs, non-contributory insurance costs and social security were \$469,108, \$147,011, \$226, and \$134,957 respectively.

Note 11. Risk Management

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

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

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 12. Contingencies (Continued)

Litigation – The School District is not a defendant in any lawsuits. It is the opinion of the School Districts’ attorney that no contingent liability exists that would have a material adverse effect on the financial condition of the School District.

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

Note 13. Deferred Compensation

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

Lincoln Investment Planning

Siracusa

Equi-Vest

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$67,349 and \$-0-, respectively.

Note 15. Tax Abatements

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 15. Tax Abatements (Continued)

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$450,774.

Note 17. Fund Balances

General Fund – Of the \$1,392,079 General Fund - Fund balance at June 30, 2021, \$265,886 has been restricted for the Capital Reserve Account; 450,774 has been restricted for current year Excess Surplus; \$445,323 has been restricted for Excess Surplus Designated for Subsequent Year's Expenditure; \$2,531 has been assigned and included as anticipated revenue for the year ending June 30, 2022; \$32,648 is assigned for year-end encumbrances and \$194,917 has been unassigned.

Note 18. Operating Leases Payable

As of June 30, 2021, the School District has a operating lease agreement in effect for a postage machine. Total operating lease payments made during the year ended June 30, 2021 was \$237.

The following is a schedule of the remaining future minimum lease payments under these operating leases.

Fiscal Year Ending	
<u>June 30,</u>	
2022	\$ 237
2023	<u>20</u>
Total Minimum Lease Payments	<u>\$ 257</u>

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$391,572 at June 30, 2021. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021.

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 20. Prior Period Restatement

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, Fiduciary Activities (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for Student Activities Fund. In addition, the prior year Deferred Inflows and Outflows related to Pension for GASB 68 were adjusted, as well as a Capital Lease which was not previously recorded, and Capital Assets not reflected in the opening balance. The beginning balances as of July 1, 2020 were adjusted as follows:

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2020	\$ 1,183,939
Prior Period Adjustment:	
Restatement of Deferred Inflows/Outflows related to Pension (GASB 68)	(71,330)
Capital Assets	29,474
Capital Leases	(33,109)
Student Activities Fund	<u>20,542</u>
Total Prior Period Adjustment	<u>(54,423)</u>
Net Position as restated, July 1, 2020	<u>\$ 1,129,516</u>

Special Revenue Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$ -
Prior Period Adjustment:	
Student Activities Fund	<u>20,542</u>
Total Prior Period Adjustment	<u>20,542</u>
Net Position as restated, July 1, 2020	<u>\$ 20,542</u>

Note 21. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 14, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 2,839,179		\$ 2,839,179	\$ 2,839,179	\$ -
Tuition From Individuals	10-1310	13,425		13,425	600	(12,825)
Tuition From Other LEAs Within the State	10-1320			-	13,500	13,500
Interest Earned on Capital Reserve	10-1xxx	1		1	328	327
Miscellaneous	10-1xxx	3,000		3,000	17,775	14,775
Total Local Sources		2,855,605	-	2,855,605	2,871,382	15,777
State Sources:						
Categorical Special Education Aid	10-3132	134,019		134,019	134,019	-
Equalization Aid	10-3176	959,791	(90,294)	869,497	869,497	-
Categorical Security Aid	10-3177	3,952		3,952	3,952	-
Extraordinary Aid	10-3131			-	36,100	36,100
Nonpublic Transportation Aid	10-3xxx			-	1,450	1,450
Nonbudgeted:						
On-Behalf TPAF Pension Contribution					469,108	469,108
On-Behalf TPAF Post Retirement Medical Contribution					147,011	147,011
On-Behalf TPAF Long-Term Disability Insurance Contribution					226	226
Reimbursed TPAF Social Security					134,957	134,957
Total State Sources		1,097,762	(90,294)	1,007,468	1,796,320	788,852
Total Revenues		3,953,367	(90,294)	3,863,073	4,667,702	804,629
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	159,538	5,415	164,953	160,415	4,538
Kindergarten	11-110-100-101	951,087	8,017	959,104	951,234	7,870
Grades 1 - 5	11-120-100-101	195,808	22,125	217,933	215,104	2,829
Home Instruction - Regular	11-150-100-101	1,000	(1,000)	-		-
Regular Programs - Undistributed Instruction:						
Purchased Technical Services	11-190-100-340	15,500	(9,500)	6,000	5,800	200
Other Purchased Services	11-190-100-500	31,500	(11,971)	19,529	12,408	7,121
General Supplies	11-190-100-610	81,194	(12,474)	68,720	36,077	32,643
Textbooks	11-190-100-640	23,100		23,100	23,029	71
Other Objects	11-190-100-800	4,500		4,500	465	4,035
Total Regular Programs		1,463,227	612	1,463,839	1,404,532	59,307
Special Education:						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	212,529	1,145	213,674	204,042	9,632
Other Salaries for Instruction	11-213-100-106	141,682	(1,145)	140,537	110,524	30,013
Purchased Technical Services	11-213-100-340	750		750		750
General Supplies	11-213-100-610	1,000		1,000	661	339
Textbooks	11-213-100-640	1,000		1,000		1,000
Total Resource Room/Resource Center		356,961	-	356,961	315,227	41,734

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Preschool Disabilities - Part Time:						
Salaries of Teachers	11-215-100-101	40,170	667	40,837	40,837	-
Other Salaries for Instruction	11-215-100-106	15,000	(30)	14,970		14,970
General Supplies	11-215-100-610	1,000	(637)	363	70	293
Total Preschool Disabilities - Part-Time		56,170	-	56,170	40,907	15,263
Total Special Education		413,131	-	413,131	356,134	56,997
Basic skills/remedial instruction:						
Salaries of Teachers	11-230-100-101	172,273	9,000	181,273	174,278	6,995
General Supplies	11-230-100-610	2,000	(1,475)	525	231	294
Total basic skills/remedial instruction		174,273	7,525	181,798	174,509	7,289
School Sponsored Cocurricular Activities & Athletics:						
Salaries	11-401-100-100	15,000	(8,525)	6,475	6,475	-
Supplies and Materials	11-401-100-600	700		700		700
Total School Sponsored Cocurricular - Activities & Athletics		15,700	(8,525)	7,175	6,475	700
Total - Instruction		2,066,331	(388)	2,065,943	1,941,650	124,293
Undistributed Expenditures:						
Instruction:						
Tuition to other LEA's within the state - regular	11-000-100-561	12,000		12,000		12,000
Tuition to other LEA's within the state - special	11-000-100-562	165,500		165,500	79,436	86,064
Tuition to CSSD & regional day schools	11-000-100-565	137,180		137,180	126,630	10,550
Tuition to Private Schools for Disabled						-
Within the State - Special	11-000-100-566	95,012		95,012	49,074	45,938
Total Instruction		409,692	-	409,692	255,140	154,552
Attendance & Social Work Services:						
Salaries	11-000-211-100	22,122	1	22,123	22,122	1
Purchased Professional & Technical Services	11-000-211-300	10,000	(2)	9,998	2,412	7,586
Supplies and Materials	11-000-211-610	250		250		250
Total Attendance Services		32,372	(1)	32,371	24,534	7,837
Health Services:						
Salaries	11-000-213-100	62,431		62,431	56,226	6,205
Purchased Professional & Technical Services	11-000-213-300		1,500	1,500	1,500	-
Purchased Technical Services	11-000-213-340	2,000	(1,500)	500		500
Other Purchased Services	11-000-213-500	200		200		200
Supplies and Materials	11-000-213-600	2,000		2,000	1,565	435
Total Health Services		66,631	-	66,631	59,291	7,340
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	91,597		91,597	90,909	688
Purchased Professional - Educational Services	11-000-216-320	40,000		40,000	20,518	19,482
Supplies and Materials	11-000-216-600	750		750		750
Total Other Support Services - Students - Regular		132,347	-	132,347	111,427	20,920
Other Support Services - Students - Extra Services:						
Purchased Professional & Educational Services	11-000-217-320	40,000		40,000		40,000
Total Other Support Services - Students - Extra Services		40,000	-	40,000	-	40,000

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Related Services:						
Salaries Other Professional Staff	11-000-218-104	54,000		54,000	53,670	330
Purchased Professional & Educational Services	11-000-218-320	2,000		2,000		2,000
Other Professional Technical Services	11-000-218-390	1,000		1,000		1,000
Purchased Professional & Educational Services	11-000-218-500	500		500		500
Supplies & Materials	11-000-218-600	500		500	302	198
Total Other Support Services-Students-Related Services		58,000	-	58,000	53,972	4,028
Other Support Services - Students - Special Services:						
Other Purchased Professional & Educational Services	11-000-219-320	89,000		89,000	81,031	7,969
Total Other Support Services-Students-Special Services		89,000	-	89,000	81,031	7,969
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Purchases Professional & Educational Services	11-000-221-320	50,000	(30,294)	19,706	4,208	15,498
Other Professional Technical Services	11-000-221-390	5,000	(785)	4,215	3,434	781
Other Purchased Services	11-000-221-500		785	785	785	-
Total Improvement of Instruction Services/Other Support Services Instructional Staff		55,000	(30,294)	24,706	8,427	16,279
Educational Media Services/School Library:						
Purchases Professional & Educational Services	11-000-222-320	500		500		500
Supplies and Materials	11-000-222-600	12,000		12,000	4,903	7,097
Total Educational Media Services/School Library		12,500	-	12,500	4,903	7,597
Instructional Staff Training Services:						
Other Purchased Services	11-000-223-500	3,550		3,550		3,550
Supplies and Materials	11-000-223-600	5,000		5,000		5,000
Total Instructional Staff Training Services		8,550	-	8,550	-	8,550
Support Services General Administration:						
Salaries	11-000-230-100	125,322	20,626	145,948	145,747	201
Legal Services	11-000-230-331	10,000	5,370	15,370	15,058	312
Audit Fees	11-000-230-332	13,000	(670)	12,330	12,125	205
Other Purchased Professional Services	11-000-230-339	15,000	(7,106)	7,894	7,841	53
Communications/Telephone	11-000-230-530	20,000	(10,500)	9,500	8,146	1,354
Other Purchased Services	11-000-230-590	8,700	(1,494)	7,206	4,605	2,601
General Supplies	11-000-230-610	3,000		3,000	1,967	1,033
Miscellaneous Expenditures	11-000-230-890	3,000		3,000	1,015	1,985
BOE Membership Dues & Fees	11-000-230-895	3,000		3,000	2,479	521
Total Support Services General Administration		201,022	6,226	207,248	198,983	8,265

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Support Services School Administration:						
Salaries of Secretaries and Clerical Support	11-000-240-105	45,456	1	45,457	45,456	1
Supplies and Materials	11-000-240-600	1,000	(1)	999	836	163
Total Support Services School Administration		46,456	-	46,456	46,292	164
Central Services:						
Purchased Professional Services	11-000-251-330	87,000		87,000	87,000	-
Purchased Technical Services	11-000-251-340	12,000	(6,225)	5,775		5,775
Supplies and Materials	11-000-251-600	200		200	163	37
Other Objects	11-000-251-890	250		250	125	125
Total Central Services		99,450	(6,225)	93,225	87,288	5,937
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	23,362	2,100	25,462	25,448	14
Cleaning, Repair & Maintenance Services	11-000-261-420	35,000	(6,200)	28,800	28,065	735
General Supplies	11-000-261-610	1,000	3,000	4,000	298	3,702
Total Allowable Maintenance for School Facilities		59,362	(1,100)	58,262	53,811	4,451
Custodial Services:						
Salaries	11-000-262-100	51,038	415	51,453	51,448	5
Salaries of Non-Instructional Aides	11-000-262-107	30,000	(23,906)	6,094	6,094	-
Purchased Professional Technical Services	11-000-262-300	7,500	(7,409)	91		91
Cleaning, Repair & Maintenance Services	11-000-262-420	7,500	(1,000)	6,500	1,553	4,947
Lease Purchase	11-000-262-444	5,000	3,000	8,000	7,095	905
Other Purchased Property Services	11-000-262-490	15,000	126	15,126	10,318	4,808
Insurance	11-000-262-520	20,000		20,000	18,240	1,760
General Supplies	11-000-262-610	25,000	(3,205)	21,795	3,153	18,642
Energy (Heat & Electricity)	11-000-262-622	45,000	5,489	50,489	50,312	177
Other Objects	11-000-262-890	250		250	18	232
Total Custodial Services		206,288	(26,490)	179,798	148,231	31,567
Total Operation & Maintenance		265,650	(27,590)	238,060	202,042	36,018
Student Transportation Services:						
Contracted Services - Aid in Lieu of Payments	11-000-270-503	2,000	1,000	3,000	3,000	-
Contracted Services - Joint Agreement (Special Education Students)	11-000-270-515	45,000	36,055	81,055	81,055	-
Contracted Services (Special Education Students) - ESC'S	11-000-270-518	30,000	3,800	33,800	33,751	49
Total Student Transportation Services		77,000	40,855	117,855	117,806	49
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	50,000	(300)	49,700	37,851	11,849
Other Retirement Contribution - PERS	11-000-291-241	30,000	2,300	32,300	31,456	844
Unemployment Compensation	11-000-291-250	12,000	926	12,926	11,188	1,738
Workmen's Compensation	11-000-291-260	18,000		18,000	14,629	3,371
Health Benefits	11-000-291-270	605,000	(69,754)	535,246	442,400	92,846
Tuition Reimbursement	11-000-291-280	12,000		12,000		12,000
Unused Sick Payment to Terminated/Retired Employees	11-000-291-290	15,000		15,000	9,474	5,526
Total Unallocated Benefits		742,000	(66,828)	675,172	546,998	128,174

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Nonbudgeted:						
On-Behalf TPAF Pension Contribution					469,108	(469,108)
On-Behalf TPAF Post Retirement Medical Contribution					147,011	(147,011)
On-Behalf TPAF Long-Term Disability Insurance Contribution					226	(226)
Reimbursed TPAF Social Security					134,957	(134,957)
Total on-behalf contributions					751,302	(751,302)
Total personal services - employee benefits		742,000	(66,828)	675,172	1,298,300	(623,128)
Total Undistributed Expenditures		2,335,670	(83,857)	2,251,813	2,549,436	(297,623)
Total Expenditures - Current Expense		4,402,001	(84,245)	4,317,756	4,491,086	(173,330)
Facilities Acquisitions & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	494	-	494	494	-
Total Facilities Acquisitions & Construction Services Expenditures		494	-	494	494	-
Assets Acquired Under Capital Lease (non-budgeted)						
Undistributed expenditures:						
General Administration					20,806	(20,806)
Total Assets Acquired under Capital Lease (non-budgeted)		-	-	-	20,806	(20,806)
Interest Earned on Capital Reserve		1		1	-	1
Total Capital Outlay		495	-	495	21,300	(20,805)
Total Expenditures		4,402,496	(84,245)	4,318,251	4,512,386	(194,135)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(449,129)	(6,049)	(455,178)	155,316	610,494
Other Financing Sources/(Uses):						
Capital Leases (Non-budgeted)					20,806	(20,806)
Capital Reserve - Transfer to Capital Projects	12-000-400-931	(225,000)		(225,000)	(225,000)	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(674,129)	(6,049)	(680,178)	(48,878)	631,300
Fund Balances, July 1		1,533,590	-	1,533,590	1,533,590	-
Fund Balances, June 30		\$ 859,461	\$ (6,049)	\$ 853,412	\$ 1,484,712	\$ 631,300
RECAPITULATION OF BUDGET TRANSFERS:						
Prior Year Encumbrances			84,245			
Reduction in State Aid			(90,294)			
			(6,049)			
RECAPITULATION OF FUND BALANCE:						
Restricted Fund Balance:						
Capital Reserve Account					\$ 265,886	
Excess Surplus					450,774	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures					445,323	
Assigned Fund Balance						
Year-end encumbrances					32,648	
Designated for Subsequent Year's Expenditures					2,531	
Unassigned Fund Balance					287,550	
					1,484,712	
Reconciliation to Governmental Fund Statements (GAAP):						
Last Two State Aid Payments Not Recognized on GAAP Basis					(92,633)	
Fund Balance Per Governmental Funds (GAAP)					\$ 1,392,079	

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
REVENUES					
State Sources	300,921	48,613	349,534	\$ 337,483	\$ 12,051
Local Sources			-	6,536	(6,536)
Federal Sources	166,906	202,049	368,955	222,064	146,891
Total Revenues	467,827	250,662	718,489	566,083	152,406
EXPENDITURES:					
Instruction:					
Salaries of Teachers		8,260	8,260	-	8,260
Purchased Professional/Technical Services	249,385	48,613	297,998	285,947	12,051
Other Purchased Services	50,014	15,821	65,835	60,312	5,523
General Supplies	54,766	26,405	81,171	41,950	39,221
Textbooks		55,975	55,975	19,304	36,671
Total Instruction	354,165	155,074	509,239	407,513	101,726
Support Services:					
Other Salaries		20,591	20,591	-	20,591
Personal Services - Employee Benefits		11,411	11,411	-	11,411
Purchased Professional Educational Services	65,126	31,959	97,085	79,878	17,207
Purchased Professional Technical Services	7,484		7,484	6,476	1,008
Purchased Professional Services	32,232		32,232	32,232	-
Other Purchased Services		4,430	4,430		4,430
Supplies & Materials	8,820	27,197	36,017	33,448	2,569
Student Activities			-	5,531	(5,531)
Total Support Services	113,662	95,588	209,250	157,565	51,685
Total Expenditures	467,827	250,662	718,489	565,078	153,411
Total Outflows	467,827	250,662	718,489	565,078	153,411
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ 1,005	\$ 1,005
Fund Balance, July 1					
Prior Period Adjustment				20,542	20,542
Fund Balance, July 1 Restated				20,542	20,542
Fund Balance, June 30				\$ 21,547	\$ 21,547

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$4,667,702	\$ 566,083
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Current Year		(12,000)
Prior Year		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		
Current Year	(92,633)	
Prior Year	86,921	
	<hr/>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$4,661,990</u>	<u>\$ 554,083</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$4,512,386	\$ 565,078
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Current Year		\$ (12,000)
Prior Year		
	<hr/>	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$4,512,386</u>	<u>\$ 553,078</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.002455%	0.002425%	0.002441%	0.001972%	0.002451%	0.002814%	0.003386%	0.003226%
School District's proportionate share of the net pension liability	\$ 400,399	\$ 436,965	\$ 480,619	\$ 459,114	\$ 725,771	\$ 631,664	\$ 634,027	\$ 616,648
School District's covered payroll	\$ 157,178	\$ 167,630	\$ 177,680	\$ 169,857	\$ 164,593	\$ 142,882	\$ 170,480	\$ 240,576
School District's proportionate share of the net pension liability as a percentage of its covered payroll	254.74%	260.67%	270.50%	270.29%	440.95%	442.09%	371.91%	256.32%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.59%	48.10%	40.14%	47.93%	52.08%	58.70%

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

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 26,860	\$ 23,589	\$ 24,280	\$ 18,271	\$ 21,770	\$ 24,192	\$ 27,917	\$ 25,017
Contributions in relation to the contractually required contribution	(26,860)	(23,589)	(24,280)	(18,271)	(21,770)	(24,192)	(27,917)	(25,017)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	157,178	167,630	177,680	169,857	164,593	142,882	170,480	220,787
Contributions as a percentage of covered-employee payroll	17.09%	14.07%	13.67%	10.76%	13.23%	16.93%	16.38%	12.54%

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	11,091,398	10,433,334	10,397,962	11,060,757	12,855,017	10,387,666	7,618,675	7,999,737
	<u>\$ 11,091,398</u>	<u>\$ 10,433,334</u>	<u>\$ 10,397,962</u>	<u>\$ 11,060,757</u>	<u>\$ 12,855,017</u>	<u>\$ 10,387,666</u>	<u>\$ 7,618,675</u>	<u>\$ 7,999,737</u>
School District's covered payroll	\$ 1,825,985	\$ 1,796,416	\$ 1,781,923	\$ 1,740,812	\$ 1,678,730	\$ 1,705,841	\$ 1,642,322	n/a
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

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

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the school district.

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M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Total OPEB Liability				
Service Cost	\$ 300,217	\$ 286,672	\$ 280,919	\$ 338,905
Interest Cost	291,265	354,738	359,492	312,175
Difference between Expected & Actual Differences	2,049,008	(1,390,392)	(251,629)	-
Changes of Assumptions	2,358,310	121,214	(1,032,750)	(1,278,862)
Contributions: Member	6,813	7,398	8,317	8,423
Gross Benefit Payments	<u>(224,762)</u>	<u>(249,557)</u>	<u>(240,646)</u>	<u>(228,747)</u>
Net Change in District's Total OPEB Liability	4,780,851	(869,927)	(876,297)	(848,106)
District's Total OPEB Liability (Beginning)	<u>8,129,679</u>	<u>8,999,606</u>	<u>9,875,903</u>	<u>10,724,009</u>
District's Total OPEB Liability (Ending)	<u><u>\$ 12,910,530</u></u>	<u><u>\$ 8,129,679</u></u>	<u><u>\$ 8,999,606</u></u>	<u><u>\$ 9,875,903</u></u>
District's Covered Employee Payroll	\$ 1,983,163	\$ 1,964,046	\$ 1,959,603	\$ 1,910,669
District's Net OPEB Liability as a Percentage of Covered Payr	651.01%	413.93%	459.26%	516.88%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.60% as of June

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021

	TOTAL BROUGHT FORWARD (EXHIBIT E-1)	ESEA TITLE II		I.D.E.A. PART B BASIC		I.D.E.A. PART B PRESCHOOL PROGRAM		CARES STABILIZATION FUND		CORONAVIRUS BRIDGING THE DIGITAL DIVIDE		RELIEF FUND	TOTALS
		PART A		REGULAR PROGRAM		PROGRAM		FUND		FUND			
Revenues:													
State Sources	\$ 337,483											\$	337,483
Local Sources	6,536												6,536
Federal Sources	25,727	\$	1,976	\$	140,745	\$	4,500	\$	6,900	\$	27,668	\$	14,548
													222,064
Total Revenues	\$ 369,746	\$	1,976	\$	140,745	\$	4,500	\$	6,900	\$	27,668	\$	14,548
													\$ 566,083
Expenditures:													
Instruction:													
Purchased Professional/Technical Services	285,947				60,312								285,947
Other Purchased Services					555					27,668			60,312
General Supplies	13,727												41,950
Textbooks	19,304												19,304
Total Instruction	318,978		-		60,867		-		-	27,668		-	407,513
Support Services:													
Purchased Professional Educational Services					79,878								79,878
Purchased Professional Technical Services			1,976			4,500							6,476
Purchased Professional Services	32,232								6,900			14,548	32,232
Supplies & Materials	12,000												33,448
Student Activities	5,531												5,531
Total Support Services	49,763		1,976		79,878		4,500		6,900		-	14,548	157,565
Total Expenditures	\$ 368,741	\$	1,976	\$	140,745	\$	4,500	\$	6,900	\$	27,668	\$	14,548
													\$ 565,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,005												1,005
Fund Balance, July 1													
Prior Period Adjustment	20,542												20,542
Fund Balance, July 1 Restated	20,542												20,542
Fund Balance, June 30	21,547												21,547

WOODBURY HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021

	TOTAL BROUGHT FORWARD (EXHIBIT E-1)	COVID-19 NONPUBLIC DIGITAL DIVIDE	CRRSA MENTAL HEALTH	NONPUBLIC TEXTBOOKS	NONPUBLIC TRANSPORTATION	COMPENSATORY EDUCATION	TOTAL CARRIED FORWARD
Revenues:							
State Sources	\$ 247,894			\$ 19,304	\$ 6,448	\$ 63,837	\$ 337,483
Local Sources	6,536						6,536
Federal Sources	\$	\$ 13,727	\$ 12,000				25,727
Total Revenues	\$ 254,430	\$ 13,727	\$ 12,000	\$ 19,304	\$ 6,448	\$ 63,837	\$ 369,746
Expenditures:							
Instruction:							
Purchased Professional/Technical Service	215,662				6,448	63,837	285,947
General Supplies		13,727					13,727
Textbooks				19,304			19,304
Total Instruction	215,662	13,727	-	19,304	6,448	63,837	318,978
Support Services:							
Purchased Professional Services	32,232						32,232
Supplies & Materials			12,000				12,000
Student Activities	5,531						5,531
Total Support Services	37,763	-	12,000	-	-	-	49,763
Total Expenditures	253,425	13,727	12,000	19,304	6,448	63,837	368,741
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,005	-	-	-	-	-	1,005
Fund Balance, July 1							-
Prior Period Adjustment	20,542	-	-	-			20,542
Fund Balance, July 1 (Restated)	20,542	-	-	-	-	-	20,542
Fund Balance, June 30	\$ 21,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,547

**WOODBURY HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	STUDENT ACTIVITY	NONPUBLIC NURSING SERVICES	NONPUBLIC SECURITY	NONPUBLIC HANDICAPPED SERVICES SUPPLEMENTAL INSTRUCTION	SPEECH	EXAM & CLASSIFICATION	TOTAL CARRIED FORWARD
Revenues:							
State Sources		\$ 32,232	\$ 71,009	\$ 30,760	\$ 62,978	\$ 50,915	\$ 247,894
Local Sources	\$ 6,536						6,536
Total Revenues	\$ 6,536	\$ 32,232	\$ 71,009	\$ 30,760	\$ 62,978	\$	\$ 254,430
Expenditures:							
Instruction:							
Purchased Professional/Technical Services			71,009	\$ 30,760	\$ 62,978	\$ 50,915	215,662
Total Instruction			71,009	30,760	62,978	50,915	215,662
Support Services:							
Purchased Professional Services	\$ 32,232						32,232
Student Activities	5,531						5,531
Total Support Services	5,531	32,232	-	-	-	-	37,763
Total Expenditures	5,531	32,232	71,009	30,760	62,978	50,915	253,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,005	-	-	-	-	-	1,005
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	20,542	-	-	-	-	-	20,542
Fund Balance, July 1 (Restated)	20,542	-	-	-	-	-	20,542
Fund Balance, June 30	\$ 21,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,547

F. Capital Projects Fund

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**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE				CANCELED TO DEBT SERVICE	CANCELED RECEIVABLE	UNEXPENDED BALANCE 2021
			PRIOR YEARS	CURRENT YEAR					
Roofing & HVAC Project	9/4/2010	\$ 629,194	\$ 577,205			\$ 29,933	\$ 22,056		
School Security Enhancements and Other Improvements	1/28/2020	2,003,000		\$ 1,246,174				\$ 756,826	
Total		\$ 2,632,194	\$ 577,205	\$ 1,246,174		\$ 29,933	\$ 22,056	\$ 756,826	

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources:	
Bond Proceeds & Transfers	\$ 1,778,000
Transfer from Capital Reserve	<u>225,000</u>
Total Revenues	<u>2,003,000</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	205,144
Construction Services	<u>1,041,030</u>
Total Expenditures	<u>1,246,174</u>
Excess (deficiency) of revenues over (under) expenditures	756,826
Other Financing Sources/(Uses):	
Transfer to Debt Service	<u>(29,933)</u>
Total Other Financing Sources/(Uses):	<u>(29,933)</u>
Excess (deficiency) of revenues over (under) expenditures and Other Financing Sources/(Uses)	726,893
Fund Balance - Beginning	<u>29,933</u>
Fund Balance - Ending	<u><u>\$ 756,826</u></u>

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SCHOOL SECURITY ENHANCEMENTS & OTHER IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ -	\$ 1,778,000	\$ 1,778,000	\$ 1,778,000
Transfer from Capital Reserve		225,000	225,000	225,000
Total Revenues	-	2,003,000	2,003,000	2,003,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Service	-	205,144	205,144	278,000
Construction Services	-	1,041,030	1,041,030	1,725,000
Total Expenditures	-	1,246,174	1,246,174	2,003,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 756,826	\$ 756,826	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	15-5870-050-21-1000
Grant Date	N/A
Grant Award	N/A
Bond Authorization Date	1/28/2020
Bonds Authorized	\$1,778,135
Bonds Issued	\$1,778,000
Original Authorized Cost	\$ 2,003,135
Additional Authorized Cost	0
Revised Authorized Cost	\$ 2,003,135
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	51.97%
Original Target Completion Date	6/30/2022

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ROOFING AND HVAC PROJECT
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State sources - SDA Grant	\$ 251,678	\$ (51,989)	\$ 199,689	\$ 199,689
Bond Proceeds and transfers	377,516	-	377,516	377,516
Total Revenues	629,194	(51,989)	577,205	577,205
Expenditures & Other Financing Uses:				
Purchased Professional & Technical				
Technical Services	43,015		43,015	42,579
Construction Services	534,190	-	534,190	586,615
Total Expenditures	577,205	-	577,205	629,194
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 51,989	\$ (51,989)	\$ -	\$ (51,989)

ADDITIONAL PROJECT INFORMATION

Project Number	050-10-1002-5870-050-10-1001
Grant Date	9/7/2010
Bond Authorization Date	2/8/2011
Bonds Authorized	\$377,516
Bonds Issued	\$377,516
Original Authorized Cost	\$ 629,194
Additional Authorized Cost	0
Revised Authorized Cost	\$ 629,194
Percentage Increase Over Original Authorized Cost	n/a
Percentage Completion	100.00%
Original Target Completion Date	6/30/2020

G. Proprietary Funds

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Enterprise Funds

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**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS	PROJECT SAFEKEEP	TOTALS
Cash & Cash Equivalents	\$ 32,102	\$ 32,102
Total Assets	<u>32,102</u>	<u>32,102</u>
NET POSITION		
Unrestricted	<u>32,102</u>	<u>32,102</u>
Total Net Position	<u>\$ 32,102</u>	<u>\$ 32,102</u>

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PROJECT SAFEKEEP	TOTALS
Operating Expenses:		
Salaries & Benefits	761	761
Supplies & Materials	176	176
	<hr/>	<hr/>
Total Operating Expenses	937	937
	<hr/>	<hr/>
Operating Income/(Loss)	(937)	(937)
	<hr/>	<hr/>
Change in Net Position	(937)	(937)
Total Net Position - Beginning	33,039	33,039
	<hr/>	<hr/>
Total Net Position - Ending	\$ 32,102	\$ 32,102
	<hr/>	<hr/>

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021

	PROJECT SAFEKEEP	TOTALS
Cash Flows From Operating Activities:		
Payments to Employees & Benefits	\$ (761)	\$ (761)
Payments to Suppliers	(176)	(176)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(937)	(937)
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(937)	(937)
Balances - Beginning of Year	33,039	33,039
	<hr/>	<hr/>
Balances - Ending of Year	\$ 32,102	\$ 32,102
	<hr/> <hr/>	<hr/> <hr/>

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

Operating Income/(Loss)	\$ (937)	\$ (937)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (937)	\$ (937)
	<hr/> <hr/>	<hr/> <hr/>

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Internal Service Fund

Not Applicable

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I. Long-Term Debt

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2020	ISSUED	PAID	BALANCE JUNE 30, 2021
			DATE	AMOUNT					
2011 General Obligation Bonds	3/1/2011	\$ 377,516	3/1/2022-24	30,000	3.850%	\$ 182,516	\$	25,000	\$ 157,516
			3/1/2025	33,000	3.850%				
			3/1/2026	34,516	3.850%				
2020 General Obligation Bonds	07/15/20	1,778,000	7/15/2022	88,000	2.000%	\$ 1,778,000			1,778,000
			7/15/2023-24	100,000	2.000%				
			7/15/2025	110,000	2.000%				
			7/15/2026	115,000	2.000%				
			7/15/2027	120,000	2.000%				
			7/15/2028	125,000	2.000%				
			7/15/2029-30	130,000	2.000%				
			7/15/2031	135,000	2.000%				
			7/15/2032	145,000	2.000%				
			7/15/2033	150,000	2.000%				
			7/15/2034	160,000	2.000%				
			7/15/2035	170,000	2.000%				
Total						\$ 182,516	\$ 1,778,000	\$ 25,000	\$ 1,935,516

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021

DESCRIPTION	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Amount Outstanding July 1, 2020	Issued	Retired	Amount Outstanding June 30, 2021
			Principal	Interest					
Copiers	8/10/2020	36 months	\$ 18,002	\$ 1,772	6.50%		\$ 18,002	\$ 4,670	\$ 13,332
Copiers	10/7/2020	34 months	2,804	274	6.50%		2,804	614	2,190
Energy Efficiency Program	12/30/2019	60 months	35,474	-	0.000%	\$ 33,109		7,095	\$ 26,014
Total						\$ 33,109	\$ 20,806	\$ 12,379	\$ 41,536

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 32,027		\$ 32,027	\$ 32,027	\$ -
Total Revenues	32,027	-	32,027	32,027	-
Expenditures:					
Regular Debt Service:					
Interest	7,027		7,027	7,027	-
Redemption of Principal	25,000		25,000	25,000	-
Total Regular Debt Service	32,027	-	32,027	32,027	-
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Operating Financing Sources (Uses)					
Operating Transfer in:					
Capital Projects Fund				29,933	29,933
Total Operating Financing Sources (Uses)				29,933	29,933
Fund Balance, July 1	2		2	2	-
Fund Balance, June 30	\$ 2	\$ -	\$ 2	\$ 29,935	\$ 29,933

STATISTICAL SECTION (Unaudited)

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WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in										
Capital Assets	\$ (327,299)	\$ 241,436	\$ 270,159	\$ 279,524	\$ 319,239	\$ 364,571	\$ 299,782	\$ 462,641	\$ 470,331	\$ 513,540
Restricted	1,970,291	1,310,994	1,270,865	1,209,470	927,592	717,135	646,857	545,418	510,881	291,867
Unrestricted	(391,572)	(368,491)	(424,761)	(488,960)	(501,995)	(519,583)	(536,969)	125,757	119,862	199,609
Total Governmental Activities										
Net Position	\$ 1,251,420	\$ 1,183,939	\$ 1,116,263	\$ 1,000,034	\$ 744,836	\$ 562,123	\$ 409,670	\$ 1,133,816	\$ 1,101,074	\$ 1,005,016
Business-Type Activities:										
Unrestricted	\$ 32,102	\$ 33,039	\$ 28,898	\$ 24,512	\$ 27,446	\$ 19,899	\$ 12,936	\$ 16,718	\$ 14,125	\$ 15,558
Total Business-Type Activities										
Net Position	\$ 32,102	\$ 33,039	\$ 28,898	\$ 24,512	\$ 27,446	\$ 19,899	\$ 12,936	\$ 16,718	\$ 14,125	\$ 15,558
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$ (327,299)	\$ 241,436	\$ 270,159	\$ 279,524	\$ 319,239	\$ 364,571	\$ 299,782	\$ 462,641	\$ 470,331	\$ 513,540
Restricted	1,970,291	1,310,994	1,270,865	1,209,470	927,592	717,135	646,857	545,418	510,881	291,867
Unrestricted	(359,470)	(335,452)	(395,863)	(464,448)	(474,549)	(499,684)	(524,033)	142,475	133,987	215,167
Total District Net Position	\$ 1,283,522	\$ 1,216,978	\$ 1,145,161	\$ 1,024,546	\$ 772,282	\$ 582,022	\$ 422,606	\$ 1,150,534	\$ 1,115,199	\$ 1,020,574

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,399,248	\$ 1,382,996	\$ 1,388,476	\$ 1,621,942	\$ 1,620,711	\$ 1,575,644	\$ 1,472,531	\$ 1,472,220	\$ 1,413,653	\$ 1,391,478
Special Education	763,647	719,810	716,031	391,874	387,728	420,289	398,205	367,099	352,552	277,620
Other Instruction	174,509	158,756	157,638	150,921	148,265	143,946	153,257	144,123	139,427	140,180
School Sponsored	6,475									
Support Services:										
Tuition, Student & Instruction Related Services	744,290	722,365	634,333	594,287	626,531	630,741	701,975	711,372	703,155	676,827
General & Administrative Services	198,983	110,039	133,709	123,652	134,040	264,200	258,508	258,518	279,729	270,402
School Administrative Services	46,292	189,543	222,306	194,362	180,790	40,507	39,530	39,618	49,713	50,144
Central Services	87,288									
Plant Operations & Maintenance	194,947	212,643	203,677	193,862	194,143	209,533	193,533	207,719	166,885	180,567
Pupil Transportation	117,806	70,365	36,451	26,507	34,353	47,575	79,118	66,622	117,933	91,679
Unallocated Benefits	2,594,485	1,772,485	1,537,422	1,472,148	1,016,922	2,699,857	1,222,139	723,230	732,194	618,684
Interest & Other Charges	43,443	7,989	8,952	9,914	10,684	11,692	12,462	13,232	14,000	14,637
Capital Outlay	20,806	72,766	47,082	22,301	9,674	609				
Unallocated Depreciation	49,847	53,723	34,365	64,715	65,333	64,503	121,669	38,008	38,008	38,008
Total Governmental Activities Expenses	6,442,066	5,473,480	5,120,442	4,866,485	4,429,174	6,109,096	4,652,927	4,041,761	4,007,249	3,750,226
Business-Type Activities:										
Project Safekeep	937	26,690	40,437	44,894	43,499	43,316	52,605	41,572	44,283	48,966
Total Business-type activities expenses	937	26,690	40,437	44,894	43,499	43,316	52,605	41,572	44,283	48,966
Program Revenues:										
Governmental Activities:										
Charges for Services	6,536									
Operating Grants & Contributions	1,998,600	458,069	458,539	450,880	432,022	2,604,623	1,184,439	692,295	733,250	687,455
Total Governmental Activities	2,005,136	458,069	458,539	450,880	432,022	2,604,623	1,184,439	692,295	733,250	687,455
Program Revenues										
Business-Type Activities:										
Charges for Services	0	30,831	44,823	41,960	51,046	50,279	48,823	44,166	42,850	41,445
Project Safekeep	0	30,831	44,823	41,960	51,046	50,279	48,823	44,166	42,850	41,445
Total Business-Type Activities Revenues										

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (Expense)/Revenue:										
Governmental Activities	\$ (4,436,930)	\$ (5,015,411)	\$ (4,661,903)	\$ (4,415,605)	\$ (3,997,152)	\$ (3,504,473)	\$ (3,468,488)	\$ (3,349,466)	\$ (3,273,999)	\$ (3,062,771)
Business-Type Activities	(937)	4,141	4,386	(2,934)	7,547	6,963	(3,782)	2,594	(1,433)	(7,521)
Total District-Wide Net Expense	\$ (4,437,867)	\$ (5,011,270)	\$ (4,657,517)	\$ (4,418,539)	\$ (3,989,605)	\$ (3,497,510)	\$ (3,472,270)	\$ (3,346,872)	\$ (3,275,432)	\$ (3,070,292)
General Revenues & Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 2,839,179	\$ 2,783,508	\$ 2,728,930	\$ 2,675,421	\$ 2,622,960	\$ 2,536,529	\$ 2,428,043	\$ 2,356,214	\$ 2,310,014	\$ 2,299,254
Taxes Levied for Debt Service	32,027	32,990	33,952	34,914	30,684	31,455	32,225	32,995	33,765	33,765
Federal & State Aid Not Restricted	1,655,425	2,235,595	1,986,807	1,537,058	1,470,119	1,012,187	983,068	1,006,791	990,765	982,234
Tuition	14,100	11,277	20,000	42,575	40,450	13,000	18,000		16,478	21,460
Interest Earnings	328	10,211	10,154	5,617	3,412	2,511	2,083	1,913	5,185	6,262
Miscellaneous Income	17,775	9,506	3,514	8,202	4,092	6,219	386	1,170	6,927	3,472
Contracts payable						58,098				327,962
Prior year (receivable) payable canceled			(5,225)	(13,156)	(1,651)	(4,449)	(77,546)	(20,796)	3,004	
Prior period adjustment										
Total Governmental Activities	4,558,834	5,083,087	4,778,132	4,290,631	4,170,066	3,655,550	3,386,259	3,378,287	3,366,138	3,640,644
Total District-Wide	\$ 4,558,834	\$ 5,083,087	\$ 4,778,132	\$ 4,290,631	\$ 4,170,066	\$ 3,655,550	\$ 3,386,259	\$ 3,378,287	\$ 51,589,383	\$ 3,640,644
Change in Net Position:										
Governmental Activities	\$ 121,904	\$ 67,676	\$ 116,229	\$ (124,974)	\$ 172,914	\$ 151,077	\$ (82,229)	\$ 28,821	\$ 92,139	\$ 577,873
Business-Type Activities	(937)	4,141	4,386	(2,934)	7,547	6,963	(3,782)	2,594	(1,433)	(7,521)
Total District	\$ 120,967	\$ 71,817	\$ 120,615	\$ (127,908)	\$ 180,461	\$ 158,040	\$ (86,011)	\$ 31,415	\$ 90,706	\$ 570,352

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 1,161,983	\$ 1,274,430	\$ 1,240,351	\$ 1,168,212	\$ 897,807	\$ 682,889	\$ 611,018	\$ 497,533	\$ 435,979	\$ 236,422
Assigned	35,179	6,629	580	6,965	22,067	4,305	4,343	16,685	22,912	78,461
Unrestricted	194,917	165,610	156,563	155,292	15,695	167,726	149,880	163,759	162,041	170,961
Total General Fund	<u>\$ 1,392,079</u>	<u>\$ 1,446,669</u>	<u>\$ 1,397,494</u>	<u>\$ 1,330,469</u>	<u>\$ 935,569</u>	<u>\$ 854,920</u>	<u>\$ 765,241</u>	<u>\$ 677,977</u>	<u>\$ 620,932</u>	<u>\$ 485,844</u>
All Other Governmental Funds										
Restricted:										
Special Revenue Fund	\$ 21,547									
Capital Projects Fund	756,826	\$ 29,933	\$ 29,933	\$ 29,933	\$ 29,933	\$ 29,933	\$ 31,194	\$ 31,194	\$ 51,989	\$ 51,989
Debt Service Fund	29,935	2	1	1	2	3	2	1	1	1
Total All Other Governmental Funds	<u>\$ 786,761</u>	<u>\$ 29,935</u>	<u>\$ 29,934</u>	<u>\$ 29,934</u>	<u>\$ 29,935</u>	<u>\$ 29,936</u>	<u>\$ 31,196</u>	<u>\$ 31,195</u>	<u>\$ 51,990</u>	<u>\$ 51,989</u>

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 2,871,206	\$ 2,816,498	\$ 2,762,882	\$ 2,710,335	\$ 2,653,644	\$ 2,567,984	\$ 2,460,268	\$ 2,389,209	\$ 2,343,779	\$ 2,299,254
Tuition Charges	14,100	11,277	20,000	42,575	40,450	13,000	18,000	-	16,478	21,460
Miscellaneous	24,639	19,717	13,668	13,239	7,504	8,730	2,424	3,083	12,111	9,734
State Sources	2,128,091	1,887,948	1,919,478	1,858,613	1,778,143	1,710,518	1,642,086	1,564,360	1,594,707	1,489,888
Federal Sources	210,064	190,330	153,956	129,905	123,998	140,409	124,304	134,726	129,307	179,746
Total Revenue	5,248,100	4,925,770	4,869,984	4,754,667	4,603,739	4,440,641	4,247,082	4,091,378	4,096,382	4,000,082
Expenditures:										
Instruction:										
Regular Instruction	1,404,532	1,380,021	1,375,757	1,624,672	1,632,245	1,575,644	1,472,531	1,472,220	1,413,653	1,391,478
Special Education Instruction	763,647	719,810	716,031	391,874	387,728	420,289	398,205	367,099	352,552	277,620
Other Instruction	174,509	158,756	157,638	150,921	148,265	143,946	153,257	144,123	139,427	140,180
School Sponsored Activities	6,475									
Support Services:										
Student & Instruction Related Services	744,290	722,365	634,333	594,287	626,531	630,741	701,975	711,372	703,155	676,827
General & Administration Services	198,983	253,855	311,720	123,652	134,040	264,200	258,508	258,518	279,729	270,402
School Administrative Services	46,292	45,727	44,295	194,362	180,790	40,507	39,530	39,618	49,713	50,144
Central Services	87,288									
Plant Operations & Maintenance	202,042	212,643	203,677	193,862	194,143	209,533	193,533	207,719	166,885	180,567
Pupil Transportation	117,806	70,365	36,451	26,507	34,353	47,575	79,118	66,622	117,933	91,679
Unallocated Benefits	1,298,300	1,207,297	1,236,798	1,130,517	1,001,734	931,881	813,790	723,230	732,194	618,684
Capital Outlay	1,267,474	72,766	47,082	22,301	9,674	52,298	9,290	35,565	493	91,185
Debt Service:										
Principal	25,000	25,000	25,000	25,000	20,000	20,000	20,000	20,000	20,000	20,000
Interest & Other Charges	7,027	7,989	8,952	9,914	10,684	11,454	12,224	12,994	13,764	14,534
Total Expenditures	6,343,665	4,876,594	4,797,734	4,487,869	4,380,187	4,348,068	4,151,961	4,059,080	3,989,498	3,823,300
Excess (Deficiency) of Revenues										
Over/(Under) Expenditures	(1,095,565)	49,176	72,250	266,798	223,552	92,573	95,121	32,298	106,884	176,782
Other Financing Sources/(Uses):										
Prior period adjustment			(5,225)			(4,449)		(20,796)	3,004	
Capital Lease (Non-budgeted)	20,806									
Bond Proceeds	1,778,000									
Total Other Financing Sources/(Uses)	1,798,806	-	(5,225)	-	-	(4,449)	-	(20,796)	3,004	-
Net Change in Fund Balances	\$ 703,241	\$ 49,176	\$ 67,025	\$ 266,798	\$ 223,552	\$ 88,124	\$ 95,121	\$ 11,502	\$ 109,888	\$ 176,782
Debt Service as a Percentage of										
Noncapital Expenditures	0.63%	0.69%	0.72%	0.79%	0.71%	0.74%	0.78%	0.83%	0.85%	0.93%

Source: District records

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	HOMELESS TUITION	MISCELLANEOUS	TOTAL
2021	\$ 5,883	\$ 14,100		\$ 11,892	\$ 31,875
2020	10,211	11,277		9,506	30,994
2019	10,154	20,000		3,514	33,668
2018	5,617	42,575		7,622	55,814
2017	3,412	40,450		4,092	47,954
2016	2,511	13,000		6,219	21,730
2015	2,038	18,000		386	20,424
2014	1,913			1,170	3,083
2013	5,185		16,478	6,927	28,590
2012	2,038			3,472	5,510

Source: District records

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUN 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	\$5,296,400	\$190,457,000	\$ -		\$ 46,411,500	\$ 6,911,100	\$ 300,000	\$249,376,000	\$ 641,821	\$250,017,821	1.138	\$ 269,566,870
2020	5,296,400	190,323,800			46,682,500	6,911,100	300,000	249,513,800	648,620	250,162,420	1.115	264,955,862
2019	5,444,500	191,444,300			46,643,200	6,911,100	300,000	250,743,100	647,817	251,390,917	1.078	262,878,676
2018	7,022,800	191,393,100			47,196,900	6,911,100	300,000	252,823,900	661,467	253,485,367	1.070	263,967,992
2017	7,078,400	191,407,600			47,045,400	7,234,700	300,000	253,066,100	661,277	253,727,377	1.029	264,568,430
2016	7,163,100	191,274,400			47,745,100	7,163,700	300,000	253,646,300	663,967	254,310,267	0.988	261,697,969
2015	7,266,700	191,390,700			50,974,700	6,167,800	300,000	256,099,900	657,377	256,757,277	0.944	260,980,707
2014	7,361,400	191,765,800			54,773,000	6,158,500	300,000	260,358,700	730,428	261,089,128	0.906	266,660,441
2013	4,561,000	192,215,000			57,283,200	12,578,300	376,700	267,014,200	702,952	267,717,152	0.868	267,717,152
2012	2,492,600	153,714,000			32,844,000	7,411,800	507,200	196,969,600	483,976	197,453,576	1.144	305,915,129

Source: County Tax Assessor and Abstract of Ratables

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUN 30,	School District Direct Rate		Overlapping Rates			Total
		Total	Gateway	Borough		Direct and
	Basic Rate	Direct	Regional High School	Of Woodbury Heights	Gloucester County	Overlapping Tax Rate
2021	1.138	1.138	1.424	1.230	0.801	4.593
2020	1.115	1.115	1.418	1.210	0.774	4.517
2019	1.078	1.078	1.375	1.179	0.758	4.390
2018	1.070	1.070	1.320	1.158	0.750	4.298
2017	1.029	1.029	1.273	1.133	0.752	4.187
2016	0.988	0.988	1.234	1.103	0.720	4.045
2015	0.944	0.944	1.189	1.065	0.673	3.871
2014	0.906	0.906	1.160	1.021	0.659	3.746
2013	0.868	0.868	1.146	0.971	0.615	3.600
2012	1.144	1.144	1.514	1.232	0.900	4.790

Source: County Tax Assessor and Abstract of Ratables

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% 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 Limited Partnership	1,341,800	9	0.54%
American Paper Box LLC	1,322,400	10	0.53%
Total	<u>\$ 27,575,000</u>		<u>11.03%</u>

TAXPAYER	2012		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Oak Valley Plaza Inc	\$ 13,433,200	1	6.80%
Woodbury Heights Development LLC	4,510,000	2	2.28%
Wawa Inc	3,049,000	3	1.54%
Balducci Inc.	2,383,500	4	1.21%
HCD Realty LLC	2,188,800	5	1.11%
Transcontinental Gas Pipeline Co	2,081,900	6	1.05%
Heights Plaza LLC	1,934,600	7	0.98%
Taxpayer #1	1,708,300	8	0.87%
Taxpayer #2	1,543,200	9	0.78%
McDonalds Corporation	1,510,500	10	0.76%
Total	<u>\$ 34,343,000</u>		<u>17.39%</u>

Source: Municipal Tax Assessor

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	\$ 2,871,206	\$ 2,871,206	100.00%	-
2020	2,816,498	3,239,446	100.00%	-
2019	2,762,882	3,063,245	100.00%	-
2018	2,710,335	3,062,257	100.00%	-
2017	2,653,644	3,060,395	100.00%	-
2016	2,567,984	3,007,718	100.00%	-
2015	2,460,268	2,936,002	100.00%	-
2014	2,389,209	2,936,002	100.00%	-
2013	2,343,779	2,725,301	100.00%	-
2012	2,299,254	2,714,952	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F-Form)

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BOND ANTICIPATION NOTES (BANs)	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES					
2021	\$ 1,935,516	-	\$ 41,536	-	\$ 1,977,052	N/A	N/A	
2020	182,516	-	33,109	-	215,625	N/A	73	
2019	207,516	-	-	-	207,516	0.12%	70	
2018	232,516	-	-	-	232,516	0.14%	78	
2017	257,516	-	-	-	257,516	0.16%	86	
2016	277,516	-	-	-	277,516	0.18%	93	
2015	297,516	-	-	-	297,516	0.20%	99	
2014	317,516	-	7,561	-	325,077	0.23%	108	
2013	337,516	-	14,643	-	352,159	0.25%	117	
2012	357,516	-	21,278	-	378,794	0.28%	125	

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 1,935,516		\$ 1,935,516	0.77%	N/A
2020	182,516		182,516	0.07%	61
2019	207,516		207,516	0.08%	70
2018	232,516		232,516	0.09%	78
2017	257,516		257,516	0.10%	86
2016	277,516		277,516	0.11%	93
2015	297,516		297,516	0.12%	99
2014	317,516		317,516	0.12%	105
2013	337,516		337,516	0.13%	112
2012	357,516		357,516	0.18%	118

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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Woodbury Heights Borough	\$ 7,313,000	100.00%	\$ 7,313,000
Gateway Regional School District	3,480,000	29.63%	1,031,132
Gloucester County	173,810,000	0.94%	1,630,349
			<u>9,974,481</u>
Woodbury Heights Borough School District Direct Debt			<u>1,977,052</u>
Total Overlapping Debt			<u><u>\$ 11,951,533</u></u>

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

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 6,588,006.57	\$ 6,634,057	\$ 6,380,075	\$ 6,577,907	\$ 6,570,120	\$ 6,578,267	\$ 6,645,328	\$ 6,754,239	\$ 7,082,801	\$ 7,531,752
Total Net Debt Applicable to Limit	1,935,516	182,516	207,516	232,516	257,516	277,516	297,516	317,516	337,516	357,516
Legal Debt Margin	\$ 4,652,491	\$ 6,451,541	\$ 6,172,559	\$ 6,345,391	\$ 6,312,604	\$ 6,300,751	\$ 6,347,812	\$ 6,436,723	\$ 6,745,285	\$ 7,174,236
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.38%	2.75%	3.25%	3.53%	3.92%	4.22%	4.48%	4.70%	4.77%	4.75%

Legal Debt Margin Calculation

	Equalized Valuation Basis
Average Equalized Valuation of Taxable Property	2020 \$ 257,859,580
	2019 268,092,618
	2018 264,608,590
	<u>\$ 790,560,788</u>
Debt Limit (2.5% of Average Equalization Value)	\$263,520,262.67
Net Bonded School Debt	<u>6,588,007</u>
	<u>1,935,516</u>
Legal Debt Margin	<u>\$ 4,652,491</u>

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME(b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	2,970	N/A	N/A	8.8%
2019	2,965	167,519,535	56,499	3.5%
2018	2,976	161,727,744	54,344	4.2%
2017	2,983	156,595,568	52,496	4.4%
2016	2,991	151,954,764	50,804	5.1%
2015	3,007	149,198,319	49,617	5.3%
2014	3,015	142,805,475	47,365	4.8%
2013	3,016	138,368,048	45,878	5.5%
2012	3,038	136,442,656	44,912	7.3%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income is estimated - population times estimated per capita personal income.

^c Per Capita Per County from US Bureau of Economic Analysis

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

EMPLOYER	2021		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Amazon	4,500	1	N/A
Rowan University	3,500	2	N/A
Inspira Health	2,051	3	N/A
Jefferson Health	2,015	4	N/A
Washington Township School District	1,515	5	N/A
Shop Rite	1,300	6	N/A
County of Gloucester	1,200	7	N/A
U.S. Food Services	1,014	8	N/A
Monroe Township School District	841	9	N/A
Walmart - Turnersville	800	10	N/A
	<u>18,736</u>		

EMPLOYER	2012		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	1,300	1	N/A
Underwood Memorial Hospital	1,825	2	N/A
Washington Township School District	1,648	3	N/A
County of Gloucester	1,500	4	N/A
Kennedy Health Alliance	1,200	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	725	7	N/A
U.S Foodservices	741	8	N/A
DGI Services	600	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
	<u>10,989</u>		

Source: Information provided by the Gloucester County Office of Economic Development and Employer Directly.

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	20.0
Special Education	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Other Special Education										
Support Services:										
Student & Instruction Related Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General & Business Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Plant Operations & Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other Support Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Total	34.0	34.0	34.0	34.0	34.0	34.0	34.0	33.0	33.0	28.0

Source: District Personnel Records

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/ TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	230	\$ 5,044,164	21,931	12.62%	27	8.52	229.6	221.8	-6.40%	96.60%
2020	245	4,770,839	19,473	-2.98%	27	9.07	245.3	236.8	4.38%	96.53%
2019	235	4,716,700	20,071	4.64%	27	8.70	235.0	222.0	1.56%	94.47%
2018	231	4,430,654	19,180	-0.12%	27	8.56	231.4	218.0	2.30%	94.21%
2017	226	4,339,829	19,203	0.42%	27	8.37	226.2	215.1	0.89%	95.09%
2016	223	4,264,316	19,122	2.81%	27	8.26	224.2	213.5	1.77%	95.23%
2015	221	4,110,447	18,599	3.47%	27	8.19	220.3	209.6	3.09%	95.14%
2014	222	3,990,521	17,975	4.53%	23	9.65	213.7	205.3	-4.38%	96.07%
2013	230	3,955,241	17,197	0.46%	23	10.00	223.5	213.2	2.66%	95.39%
2012	216	3,697,581	17,118	2.07%	20	10.80	217.7	208.1	-1.23%	95.59%

Sources: District records

- a. Operating expenditures equal total expenditures less debt service and capital outlay.
b. Teaching staff includes only full-time equivalents of certificated staff.
c. Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Elementary School:										
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	230	245	235	231	226	223	221	222	230	216

Number of Schools at June 30, 2021:
Elementary = 1

Source: District Office

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

ELEMENTARY
SCHOOL

2021	\$ 53,811
2020	43,736
2019	34,461
2018	33,039
2017	28,051
2016	47,892
2015	25,827
2014	46,715
2013	17,581
2012	20,442

Source: District records

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE**

I. Property, Inland Marine and Automobile Physical Damages

A. Limit of Liability	\$175,000,000 Per Occurance
1. GCSSD JIF Self Insurance Retention	\$250,000 Per Occurance
2. Member District Deductible	\$500 Per Occurance
3. Perils Incuded	"All Risk"
B. Property Valuation	
1. Building 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. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$1,000

III. Crine

A. Limit of Liability	\$500,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	\$500

IV. General and Automobile Liability

A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None

V. Workers' Compensation

A. Limit of Liability	Statutory
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None

VI. Educator's Legal Liability

A. Limit of Liability	\$20,000,000
1. GCSSD JIF Self Insurance Retention	\$250,000
2. Member District Deductible	None

VII. Pollution Legal Liability

A. Limit of Liability	\$3,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible - Pollution Incident	\$25,000
3. Member District Deductible - Mold Incident	\$100,000-\$250,000

VIII. Cyber Liability (Please see Certificate of Coverage for Covered Districts)

A. Limit of Liability	\$2,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$50,000-\$100,000

IX. Crisis Protection & Disaster Management Services

A. Limit of Liability	\$1,000,000
1. GCSSD JIF Self Insurance Retention	None
2. Member District Deductible	\$10,000

Public employees' faithful performance bonds -

Selective Insurance

Surety Bond - Treasurer of School Monies

\$145,000

Western Surety Company

Surety Bond - Business Administrator

\$145,000

Source: District records.

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Woodbury Heights Borough School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 14, 2022.

Internal Control Over Financial Reporting

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

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 in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 14, 2022

EXHIBIT K-2

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

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

Report on Compliance for Each Major State Program

We have audited the Woodbury Heights Borough School District's (the "School District") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2021. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could

have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
February 14, 2022

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	BALANCE JUNE 30, 2021 DUE TO (ACCOUNTS GRANTOR RECEIVABLE)
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Special Revenue Fund:										
Title I, Part A	84.010	S010A190030	100-034-5064-194	11,094	7/1/19-6/30/20	(3,269) (3,269)	3,269 3,269	-	-	-
Title II - Part A	84.367	S367A200029	100-034-5063-290	7,486	7/1/20-9/30/21	-	-	(1,976)	-	(1,976)
Title II - Part A	84.367	S367A190029	100-034-5063-290	6,138	7/1/19-6/30/20	(532) (532)	532 532	-	-	(1,976)
Title IV - Student Support and Enrichment (ESSA)	84.424	S424A190031	100-034-5064-187	10,560	7/1/19-6/30/20	(145) (145)	145 145	-	-	-
COVID-19 Coronavirus Aid Relief	84.425D	S425D200027	100-034-5120-513	8,820	7/1/20-6/30/22	-	6,900	(6,900)	-	-
COVID-19 CARES Stabilization	84.425D	S425D200027	100-034-5120-513	29,231	7/16/20-10/31/20	-	27,668	(27,668)	-	-
COVID-19 Digital Divide	84.425D	S425D200027	100-034-5120-513	45,000	3/13/20-9/30/23	-	34,568	(46,568)	-	(12,000)
COVID-19 CRRSA - Mental Health										
Special Education Cluster:										
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	100-034-5065-016	161,397	7/1/20-9/30/21	-	31,508	(140,745)	-	(109,237)
I.D.E.A. Part B, Basic Regular	84.027	H027A190101	100-034-5065-017	203,797	7/1/19-6/30/20	(30,936) (30,936)	30,936 62,444	-	-	-
I.D.E.A. Preschool	84.173A	H173A200114	100-034-5065-020	11,254	7/1/20-9/30/21	-	2,250	(4,500)	-	(2,250)
I.D.E.A. Preschool	84.173A	H173A190114	100-034-5065-020	11,023	7/1/19-6/30/20	(4,500) (4,500)	4,500 6,750	-	-	(2,250)
Total Special Education Cluster:						(35,436)	69,194	(145,245)	-	(111,487)
Total U.S. Department of Education						(39,382)	107,708	(193,789)	-	(125,463)
US DEPARTMENT OF TREASURY										
Nonpublic Digital Divide	21.019	S425D200027	100-034-5120-515	13,746	7/16/20-10/31/20	-	13,727	(13,727)	-	-
Coronavirus Aid Relief	21.019	S425D200027	100-034-5120-515	14,548	7/1/20-12/30/20	-	14,548	(14,548)	-	-
Total Federal Financial Assistance						-	28,275	(28,275)	-	-
						\$ (39,382)	\$ 135,983	\$ (222,064)	\$	\$ (125,463)

WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020		ADJUSTMENTS/ REPAYMENT OF			BALANCE JUNE 30, 2021		MEMO		
				DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	CASH RECEIVED	BUDGETARY EXPENDITURES	PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	CUMULATIVE		
											BUDGETARY RECEIVABLE	TOTAL EXPENDITURES	
State Department of Education:													
General Fund:													
State Aid Public:													
Equalization Aid	495-034-5120-078	\$ 959,791	7/1/20-6/30/21	\$ -		\$ 869,497	\$ (869,497)	\$ -	\$ -	\$ -	\$ 79,947	\$ 869,497	
Security Aid	495-034-5120-084	3,952	7/1/20-6/30/21			3,952	(3,952)	-	-	-	363	3,952	
Special Education Categorical Aid	495-034-5120-089	134,019	7/1/20-6/30/21			134,019	(134,019)	-	-	-	12,323	134,019	
<hr/>													
Total State Aid Public				-		1,007,468	(1,007,468)	-	-	-	92,633	1,007,468	
<hr/>													
Additional Nonpublic School Transportation Aid	495-034-5120-014	1,450	7/1/20-6/30/21				(1,450)		(1,450)			1,450	
Extraordinary Aid	495-034-5120-044	36,100	7/1/20-6/30/21				(36,100)		(36,100)			36,100	
Extraordinary Aid	495-034-5120-044			(2,531)		2,531							
Reimbursed TPAF Social Security Contributions	495-034-5094-003	134,957	7/1/20-6/30/21	-		127,768	(134,957)		(7,189)			134,957	
Reimbursed TPAF Social Security Contributions	495-034-5095-002	129,317	7/1/19-6/30/20	(6,557)		6,557							
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-001	469,108	7/1/20-6/30/21			469,108	(469,108)					469,108	
On-Behalf TPAF Post-Retirement Medical Contributions (Noncash Assistance)	495-034-5094-002	147,011	7/1/20-6/30/21			147,011	(147,011)					147,011	
On-Behalf TPAF Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5120-004	226	7/1/20-6/30/21			226	(226)					226	
<hr/>													
Total General Fund				(9,088)	-	1,760,669	(1,796,320)	-	(44,739)	-	92,633	1,796,320	
<hr/>													
Special Revenue Fund:													
Passed-State Department of Education:													
N.J. Nonpublic Aid:													
Textbook Aid	100-034-5120-067	19,304	7/1/20-6/30/21			19,304	(19,304)			-		19,304	
Textbook Aid	100-034-5120-067	16,866	7/1/19-6/30/20		43			(43)					
Nursing Services	100-034-5120-070	32,232	7/1/20-6/30/21			32,232	(32,232)			-		32,232	
Security	100-034-5120-509	71,400	7/1/20-6/30/21			71,400	(71,009)			391		71,009	
Security	100-034-5120-509	66,250	7/1/19-6/30/20		38,557			(38,557)					
Technology	100-034-5120-373	11,520	7/1/19-6/30/20		1			(1)					
Auxiliary Services (Ch. 192):													
Compensatory Education	100-034-5120-067	68,193	7/1/20-6/30/21			68,193	(63,837)			4,356		63,837	
Compensatory Education	100-034-5120-067	66,836	7/1/19-6/30/20	(6,814)	8,111	6,814		(8,111)					
Transportation	100-034-5120-068	10,281	7/1/20-6/30/21			10,281	(6,448)			3,833		6,448	
Transportation	100-034-5120-068	10,713	7/1/19-6/30/20	(1,071)	4,749	1,071		(4,749)					
Handicapped Services (Ch. 193):													
Corrective Speech	100-034-5120-066	66,077	7/1/20-6/30/21			66,077	(62,978)			3,099		62,978	
Corrective Speech	100-034-5120-066	67,444	7/1/19-6/30/20	(6,746)	10,573	6,746		(10,573)					
Examination & Classification	100-034-5120-066	51,287	7/1/20-6/30/21			51,287	(50,915)			372		50,915	
Examination & Classification	100-034-5120-066	42,371	7/1/19-6/30/20	(4,575)	10,215	4,575		(10,215)					
Supplementary Instruction	100-034-5120-066	30,760	7/1/20-6/30/21			30,760	(30,760)			-		30,760	
Supplementary Instruction	100-034-5120-066	30,275	7/1/19-6/30/20	(3,104)	728	3,104		(728)					
<hr/>													
Total Special Revenue Fund				(22,310)	72,977	371,844	(337,483)	(72,977)	-	12,051	-	337,483	
<hr/>													
New Jersey School Development Authority													
Capital Projects Fund:													
SDA Grants	n/a	251,678	9/7/10-6/30/14	(22,056)				22,056					
<hr/>													
Total Capital Projects Fund				(22,056)	-	-	-	22,056	-	-	-		
<hr/>													
Total State Financial Assistance				\$ (53,454)	\$ 72,977	\$ 2,132,513	\$ (2,133,803)	\$ (50,921)	\$ (44,739)	\$ 12,051	\$ 92,633	\$ 2,133,803	
<hr/>													
State Financial Assistance Programs not subject to Calculation for Major Program Determination:													
On-Behalf TPAF Pension Contributions	495-034-5094-001					\$	469,108						
On-Behalf TPAF Post-Retirement Medical Contributions	495-034-5094-002						147,011						
On-Behalf TPAF Long-Term Disability Insurance Contributions	495-034-5120-004						226						
<hr/>													
Total State Financial Assistance Subject to Major Program Determination,													
Accompanying Notes to Schedule of Expenditures Federal Awards and State Financial Assistance are an Integral Part of this schedule.													
<hr/>													
\$ (1,517,458)													

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Woodbury Heights Borough School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

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

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

Note 3. Relationship to Basic Financial Statements

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,712) for the general fund and(\$12,000) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows;

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,790,608	\$ 1,790,608
Special Revenue Fund	<u>210,064</u>	<u>337,483</u>	<u>547,547</u>
Total Awards & Financial Assistance	<u>\$ 210,064</u>	<u>\$ 2,128,091</u>	<u>\$ 2,338,155</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Woodbury Heights Borough School District had no loan balances outstanding at June 30, 2021.

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 Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

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 deficiency(ies) identified? yes X no

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 New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

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

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

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings – N/A

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

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – N/A

**WOODBURY HEIGHTS BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A