

WALDWICK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Waldwick, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Waldwick Board of Education

Waldwick, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION

WALDWICK BOARD OF EDUCATION



JOHN GRIFFIN
SCHOOL BUSINESS ADMINISTRATOR/
BOARD SECRETARY

155 SUMMIT AVENUE
WALDWICK, NJ 07463
201-445-3340 EXT. 4109

November 28, 2015

Honorable President and
Members of the Board of Education
Waldwick School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Waldwick School District for the fiscal year ended June 30, 2015, 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 Waldwick Board of Education. 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the financial statements and required supplementary information as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Waldwick School District is an independent reporting entity within the criteria adopted by the Governmental Accounts Standards Board (GASB) as established by NCGA. All funds of the District are included in this report. The Waldwick Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1,577 students, which is a decrease from the previous year's enrollment. The following details the changes in the average daily student enrollment of the District over the last eight years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	1,577	-1.2%
2013-14	1,596	-1.4%
2012-13	1,618	1.6%
2011-12	1,593	0%
2010-11	1,593	.6%
2009-10	1,583	.1%
2008-09	1,582	0%
2007-08	1,582	.2%

2) ECONOMIC CONDITION AND OUTLOOK: The Waldwick area is experiencing limited development and expansion which is expected to continue. The number of businesses relocating to the area is limited due to the amount of available space in Waldwick. This results in a flat tax base.

3) MAJOR INITIATIVES: The school district continued its maintenance and construction program throughout the district. All four schools continued the technology initiative with various devices purchased and installed including Chromebooks for teaching staff. Additionally, the district spent a significant amount on the technology infrastructure in anticipation of the student 1:1 Chromebook implementation at the high school in the 2015-2016 school year. Painting of selected classrooms and hallways throughout the district continued. LED lighting upgrades were completed in the high school gym and cafeteria and in the Crescent school multi-purpose room. Partial hallway ceiling replacement and LED lighting upgrade was completed in the high school. Asbestos floor tile were abated and new tile installed in multiple classrooms in the high school. Also asbestos floor tile was removed from two closets in the high school gym.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. 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 the end of the fiscal year are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned of fund balance at June 30.

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

7) DEBT ADMINISTRATION: At June 30, 2015, the District's long-term debt issue is for \$4,680,000 of general obligation bonds to provide funding for the school referendum.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

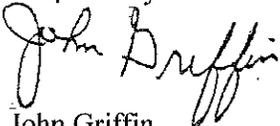
10) OTHER INFORMATION:

A. Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP, was selected by the Board's Finance Committee and approved by the full Board. 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 as amended and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements is included in the financial section of this report.

11) ACKNOWLEDGMENTS:

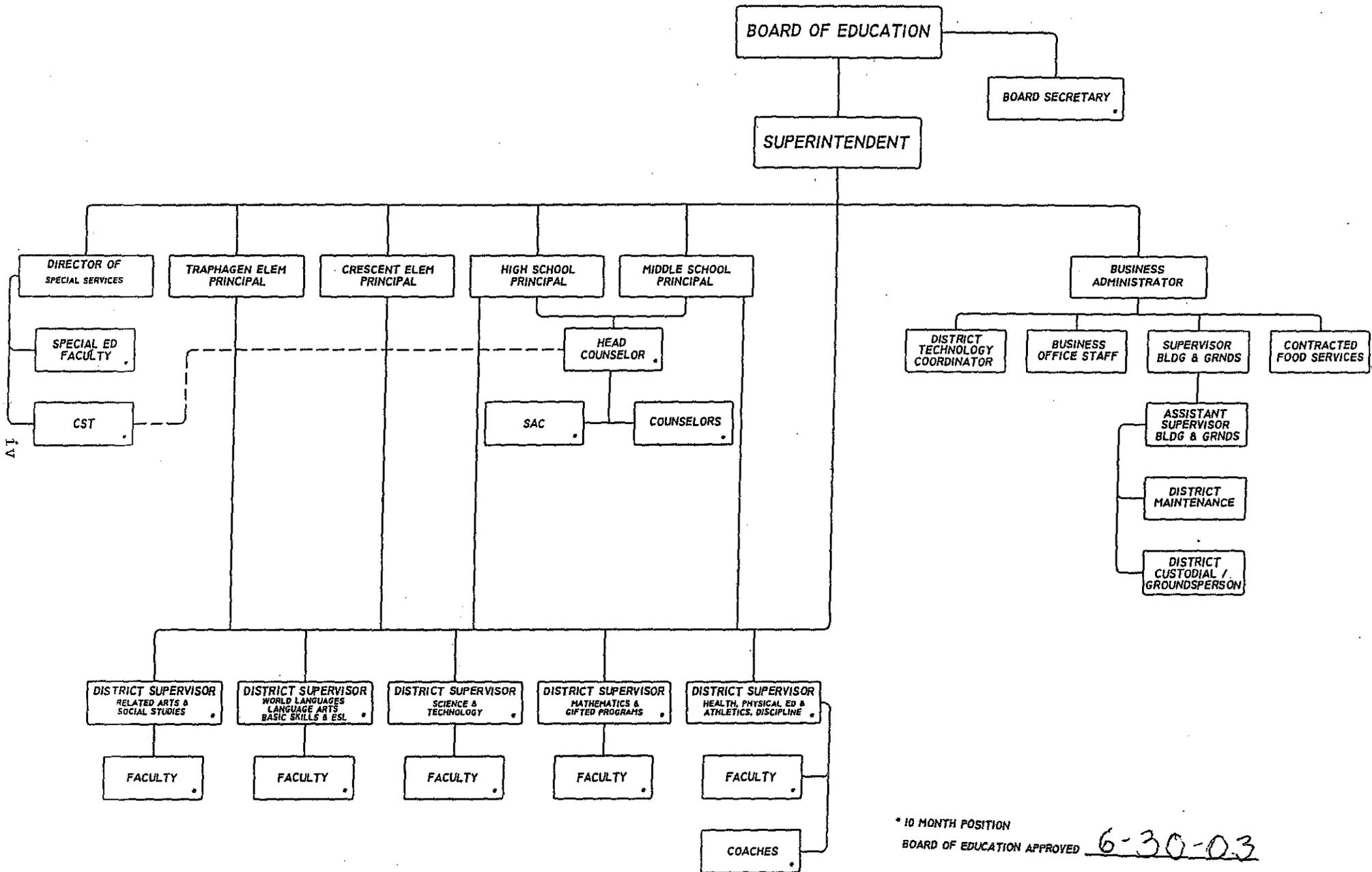
We would like to express our appreciation to the members of the Waldwick Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



John Griffin
School Business Administrator/Board Secretary

WALDWICK PUBLIC SCHOOL DISTRICT ORGANIZATIONAL CHART



* 10 MONTH POSITION

BOARD OF EDUCATION APPROVED

6-30-03

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dawn Monaco, President	2016
Claire McLafferty, Vice President	2018
Andrew Frey	2018
Patricia Levine	2015
Daniel Marro	2017
Dominic J. Novelli	2016
Joseph Orlak	2015

Other Officials

Dr. Paul D. Casarico, Superintendent of Schools

John Griffin, School Business Administrator/Board Secretary

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorney

Andrew Brown, Esquire
Schwartz Simon Edelstein Celso & Zitomer
44 Whippany Road
Morristown, NJ 07962

Official Depository

Capital One
464 Route 17 North
Paramus, NJ 07652

Architect

Dicara/Rubino
30 Galesi Drive, West Wing
Wayne, NJ 07470

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Waldwick Board of Education
Waldwick, 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 Waldwick Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education'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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Waldwick Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Waldwick Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. 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 pension information 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 Waldwick Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Waldwick Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of 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 fund financial statements, 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.

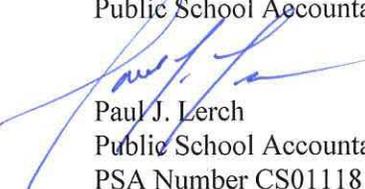
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2015 on our consideration of the Waldwick Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waldwick Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 28, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

This discussion and analysis of the Waldwick School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- District-Wide - Overall revenues were \$35,260,983. General revenues accounted for \$27,659,869 or 78 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,601,114 or 22 percent of total revenues of \$35,260,983.
- District-Wide - The School District had \$34,276,923 in expenses; only \$7,601,114 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$27,659,869 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Waldwick Board of Education's governmental funds reported combined ending fund balances of \$3,031,941 an increase of \$521,036 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2015, the unassigned fund balance, on a GAAP basis, for the General Fund was \$282,092, a decrease of \$1,057 in comparison with the prior year.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

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

Table A-1 summarizes the major features of the Waldwick Board of Education's financial statements, including the portion of the Waldwick Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows/inflows of resources and liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and deferred inflows of resources and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The *District-wide financial statements* are designed to provide readers with a broad overview of the Waldwick Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Waldwick Board of Education's assets, deferred outflows/inflows of resource and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

District-wide Statements (Continued)

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

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.

- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

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

The District has three kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Fund Financial Statements (Continued)

Proprietary Funds. The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund, Scholarship Funds and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

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

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE

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

Table A-2 provides a summary of the school district's net position for fiscal years 2015 and 2014. For 2015 and 2014 net position were \$8,303,132 and \$7,319,072, respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Table A-2
Statement of Net Position
As of June 30, 2015 and 2014

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current and Other Assets	\$ 3,232,238	\$ 2,973,156	\$ 64,626	\$ 59,319	\$ 3,296,864	\$ 3,032,475
Capital Assets	<u>17,974,984</u>	<u>17,753,495</u>	<u>13,873</u>	<u>9,167</u>	<u>17,988,857</u>	<u>17,762,662</u>
Total Assets	<u>21,207,222</u>	<u>20,726,651</u>	<u>78,499</u>	<u>68,486</u>	<u>21,285,721</u>	<u>20,795,137</u>
Deferred Amount on Net Pension Liability	1,002,317				1,002,317	-
Deferred Amounts on Debt Refunding	<u>255,279</u>	<u>310,858</u>	<u>-</u>	<u>-</u>	<u>255,279</u>	<u>310,858</u>
Total Deferred Outflows of Resources	<u>1,257,596</u>	<u>310,858</u>	<u>-</u>	<u>-</u>	<u>1,257,596</u>	<u>310,858</u>
Total Assets and Deferred Outflows of Resources	<u>22,464,818</u>	<u>21,037,509</u>	<u>78,499</u>	<u>68,486</u>	<u>22,543,317</u>	<u>21,105,995</u>
Current Liabilities	254,897	522,568	2,594	2,895	257,491	525,463
Non-Current Liabilities	<u>13,502,936</u>	<u>13,261,460</u>	<u>-</u>	<u>-</u>	<u>13,502,936</u>	<u>13,261,460</u>
Total Liabilities	<u>13,757,833</u>	<u>13,784,028</u>	<u>2,594</u>	<u>2,895</u>	<u>13,760,427</u>	<u>13,786,923</u>
Deferred Amounts on Net Pension Liability	<u>479,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,758</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,237,591</u>	<u>13,784,028</u>	<u>2,594</u>	<u>2,895</u>	<u>14,240,185</u>	<u>13,786,923</u>
Net Position						
Net Investment in Capital Assets	13,234,026	12,509,265	13,873	9,167	13,247,899	12,518,432
Restricted	1,140,160	615,160	-	-	1,140,160	615,160
Unrestricted	<u>(6,146,959)</u>	<u>(5,870,944)</u>	<u>62,032</u>	<u>56,424</u>	<u>(6,084,927)</u>	<u>(5,814,520)</u>
Total Net Position	<u>\$ 8,227,227</u>	<u>\$ 7,253,481</u>	<u>\$ 75,905</u>	<u>\$ 65,591</u>	<u>\$ 8,303,132</u>	<u>\$ 7,319,072</u>

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Governmental activities. Governmental activities for 2015 increased the District's net position by \$973,746.

Business-Type Activities. The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$232,419. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position of \$10,314.

Key elements of these increases are as follows:

**Table A-3
Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 64,323	\$ 34,656	\$ 242,463	\$ 246,244	\$ 306,786	\$ 280,900
Operating Grants and Contributions	7,244,511	4,043,880		985	7,244,511	4,044,865
Capital Grants and Contributions	49,817	83,225			49,817	83,225
General Revenues						
Property Taxes	27,458,760	26,308,871			27,458,760	26,308,871
Other	200,839	116,155	270	304	201,109	116,459
Total Revenues	<u>35,018,250</u>	<u>30,586,787</u>	<u>242,733</u>	<u>247,533</u>	<u>35,260,983</u>	<u>30,834,320</u>
Expenses						
Instruction						
Regular	14,109,146	12,138,523			14,109,146	12,138,523
Special Education	7,175,056	6,420,299			7,175,056	6,420,299
Other Instruction	1,317,451	1,089,432			1,317,451	1,089,432
School Sponsored Activities and Ath.	897,075	778,886			897,075	778,886
Support Services						
Student and Instruction Related Serv.	3,313,052	2,876,680			3,313,052	2,876,680
Health Services	465,745	391,801			465,745	391,801
Educational Media/School Library	272,378	238,956			272,378	238,956
General Administrative Services	632,699	756,375			632,699	756,375
School Administrative Services	1,971,077	1,610,925			1,971,077	1,610,925
Plant Operations and Maintenance	2,198,405	2,140,290			2,198,405	2,140,290
Pupil Transportation	600,407	697,149			600,407	697,149
Central Services	883,974	777,340			883,974	777,340
Food Service			232,419	232,605	232,419	232,605
Interest on Long-Term Debt	208,039	228,193	-	-	208,039	228,193
Total Expenses	<u>34,044,504</u>	<u>30,144,849</u>	<u>232,419</u>	<u>232,605</u>	<u>34,276,923</u>	<u>30,377,454</u>
Change in Net Position	973,746	441,938	10,314	14,928	984,060	456,866
Prior Period Adjustment		(7,330,857)				(7,330,857)
Net Position, Beginning of Year	<u>7,253,481</u>	<u>14,142,400</u>	<u>65,591</u>	<u>50,663</u>	<u>7,319,072</u>	<u>14,193,063</u>
Net Position, End of Year	<u>\$ 8,227,227</u>	<u>\$ 7,253,481</u>	<u>\$ 75,905</u>	<u>\$ 65,591</u>	<u>\$ 8,303,132</u>	<u>\$ 7,319,072</u>

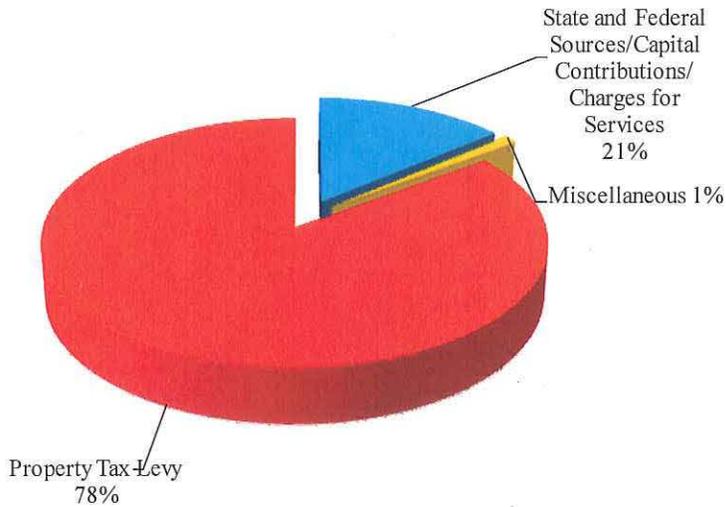
**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

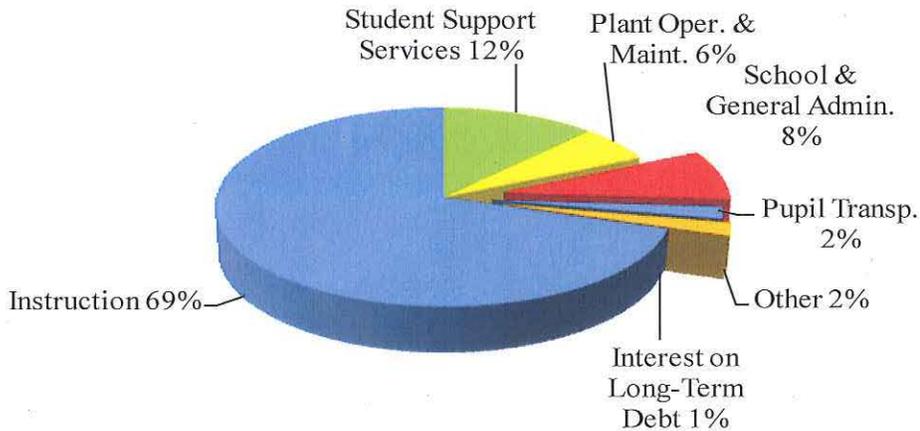
Governmental activities. The District's total governmental revenues were \$35,018,250. The general revenues that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$27,659,599 or 79% of total revenues. Funding from state and federal sources charges for services and capital contributions amounted to \$7,358,651 or 21%.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$23,498,728 (69%), student support services totaled \$10,337,737 (30%) and interest on long-term debt total \$208,039 (1%) of total expenditures. (See Table A-3.)

Revenues by Source- Governmental Activities
For Fiscal Year 2015



Expenditures by Type- Governmental Activities
For Fiscal Year 2015



**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Total Net Cost Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 14,109,146	\$ 12,138,523	\$ 11,191,205	\$ 10,845,822
Special Education	7,175,056	6,420,299	4,682,371	4,536,972
Other Instruction	1,317,451	1,089,432	896,079	795,206
School Sponsored Activities and Athletics	897,075	778,886	732,008	709,552
Support Services				
Student and Instruction Related Svcs.	3,313,052	2,876,680	2,661,021	2,591,960
Health Services	465,745	391,801	374,647	354,167
Educational Media/School Library	272,378	238,956	221,620	217,397
General Administrative Services	632,699	756,375	538,555	1,449,869
School Administrative Services	1,971,077	1,610,925	1,566,383	706,936
Plant Operations and Maintenance	2,198,405	2,140,290	2,174,823	2,116,338
Pupil Transportation	600,407	697,149	555,128	653,336
Central Services	883,974	777,340	883,974	777,340
Interest on Long-Term Debt	208,039	228,193	208,039	228,193
	<u>34,044,504</u>	<u>30,144,849</u>	<u>26,685,853</u>	<u>25,983,088</u>
Total Governmental Activities	\$ 34,044,504	\$ 30,144,849	\$ 26,685,853	\$ 25,983,088

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$3,031,941. In 2013-2014 the fund balance was \$2,510,905.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$32,156,407 and expenditures were \$31,635,371.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2015 and 2014.

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources	\$ 27,686,983	\$ 26,458,072	\$ 1,228,911	4.64%
State Sources	4,032,040	3,677,026	355,014	9.65%
Federal Sources	<u>437,384</u>	<u>430,698</u>	<u>6,686</u>	1.55%
 Total Revenues	 <u>\$ 32,156,407</u>	 <u>\$ 30,565,796</u>	 <u>\$ 1,590,611</u>	 5.20%

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014.

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 20,499,859	\$ 19,909,111	\$ 590,748	2.97%
Undistributed	9,309,779	9,246,614	63,165	0.68%
Capital Outlay	1,108,705	772,379	336,326	43.54%
Debt Service				
Principal	490,000	465,000	25,000	5.38%
Interest	227,028	245,663	(18,635)	-7.59%
	<u> </u>	<u> </u>	<u> </u>	
Total Expenditures	<u>\$ 31,635,371</u>	<u>\$ 30,638,767</u>	<u>\$ 996,604</u>	3.25%

General Fund Budgetary Highlights

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were related to:

- An increase in Extraordinary Aid of \$143,202 due to extraordinary Special Education costs and an adjusted formula for reimbursement from the State.
- A decrease in out-of-district tuition costs.
- A decrease in workers' compensation insurance due to the district's favorable renewal rate in its insurance consortium and decrease in worker injury claims.
- An unanticipated decrease in energy costs.
- The deposit of \$525,000 into the district's Capital Reserve account.
- A decrease in legal expenditures.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

General Fund Budgetary Highlights (Continued)

- An decrease in health benefits expenditures due to the State rates being less than anticipated in the SEHBP plan.
- A decrease in expenditures for the cost of substitute personnel.
- A decrease in transportation expenditures for students

Capital Assets. The Waldwick Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$17,988,857 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-5
Capital Assets
(net of accumulated depreciation) at June 30, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land Improvements	\$ 1,469,252	\$ 1,469,252			\$ 1,469,252	\$ 1,469,252
Buildings and Building Improvements	24,670,456	24,573,614			24,670,456	24,573,614
Machinery and Equipment	<u>3,245,244</u>	<u>2,183,564</u>	<u>\$ 62,407</u>	<u>\$ 55,752</u>	<u>3,307,651</u>	<u>2,239,316</u>
Total	29,384,952	28,226,430	62,407	55,752	29,447,359	28,282,182
Less: Accumulated Depreciation	<u>11,409,968</u>	<u>10,472,935</u>	<u>48,534</u>	<u>46,585</u>	<u>11,458,502</u>	<u>10,519,520</u>
Total	<u>\$ 17,974,984</u>	<u>\$ 17,753,495</u>	<u>\$ 13,873</u>	<u>\$ 9,167</u>	<u>\$ 17,988,857</u>	<u>\$ 17,762,662</u>

Additional information on Waldwick Board of Education's capital assets can be found in Note 3 of this report.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Debt Administration. As of June 30, 2015 the school district had long-term debt and outstanding long-term liabilities in the amount of \$13,502,936 as stated in Table A-6.

Long-Term Liabilities

**Table A-6
Long-Term Debt
Outstanding Long-Term Liabilities**

	Balance	Balance
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Serial Bonds (Including Original Issue Premium)	\$ 4,996,237	\$ 5,555,088
Compensated Absences Payable	456,327	375,515
Net Pension Liability	<u>8,050,372</u>	<u>7,330,857</u>
 Total	 <u>\$ 13,502,936</u>	 <u>\$ 13,261,460</u>

Additional information on Waldwick Board of Education's long-term debt can be found in Note 3 of this report.

Moody's Investors Service has assigned an Aa2 enhanced rating to the Waldwick Board of Education's \$8,701,000 million General Obligation School Bonds. These bonds are secured by New Jersey's Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72's highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody's anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

CHAPTER 72 IS A CONSTITUTIONALLY CREATED FUND LOCATED IN THE STATE'S FUND FOR SUPPORT OF FREE PUBLIC SCHOOLS

The Chapter 72 reserves, authorized in 1980 (NJ 18A:56-19), to make scheduled debt service payments for a defaulting issuer are carved from the State of New Jersey's larger constitutionally created Fund for Support of Free Public Schools. Chapter 72 assets currently valued at \$62 million are recalculated annually, to comply with the statutory requirement that the reserve equal exactly 1.5% of the \$4.1 billion of outstanding school related debt. Currently, Chapter 72 assets comprise 41% of the Fund.

**WALDWICK BOARD OF EDUCATION
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

FOR THE FUTURE

Currently, the District is in good financial condition. Everyone associated with the Waldwick School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of declining flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Waldwick School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have questions about this report or need additional information, contact the School Business Administrator at the Waldwick Board of Education, 155 Summit Avenue, Waldwick, NJ 07643.

BASIC FINANCIAL STATEMENTS

**WALDWICK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,144,998	\$ 62,606	\$ 3,207,604
Receivables, net	87,240		87,240
Inventory		2,020	2,020
Capital Assets, net Being Depreciated	<u>17,974,984</u>	<u>13,873</u>	<u>17,988,857</u>
Total Assets	<u>21,207,222</u>	<u>78,499</u>	<u>21,285,721</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	1,002,317		1,002,317
Deferred Amounts on Refunding of Debt	<u>255,279</u>	<u>-</u>	<u>255,279</u>
Total Deferred Outflows of Resources	<u>1,257,596</u>	<u>-</u>	<u>1,257,596</u>
Total Assets and Deferred Outflows of Resources	<u>22,464,818</u>	<u>78,499</u>	<u>22,543,317</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	103,157	2,594	105,751
Payable to State Government	80,297		80,297
Payable to Federal Government	5,966		5,966
Unearned Revenue	10,877		10,877
Accrued Interest Payable	54,600		54,600
Noncurrent Liabilities			
Due Within One Year	953,854		953,854
Due Beyond One Year	<u>12,549,082</u>	<u>-</u>	<u>12,549,082</u>
Total Liabilities	<u>13,757,833</u>	<u>2,594</u>	<u>13,760,427</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>479,758</u>	<u>-</u>	<u>479,758</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,237,591</u>	<u>2,594</u>	<u>14,240,185</u>
NET POSITION			
Net Investment in Capital Assets	13,234,026	13,873	13,247,899
Restricted for			
Capital Projects	1,140,160		1,140,160
Unrestricted	<u>(6,146,959)</u>	<u>62,032</u>	<u>(6,084,927)</u>
Total Net Position	<u>\$ 8,227,227</u>	<u>\$ 75,905</u>	<u>\$ 8,303,132</u>

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

WALDWICK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction							
Regular	\$ 14,109,146	\$ 64,323	\$ 2,803,801	\$ 49,817	\$ (11,191,205)		\$ (11,191,205)
Special Education	7,175,056		2,492,685		(4,682,371)		(4,682,371)
Other Instruction	1,317,451		421,372		(896,079)		(896,079)
School Sponsored Activities and Athletics	897,075		165,067		(732,008)		(732,008)
Support Services							
Student and Instruction Related Services	3,313,052		652,031		(2,661,021)		(2,661,021)
Health Services	465,745		91,098		(374,647)		(374,647)
Educational Media/School Library	272,378		50,758		(221,620)		(221,620)
General Administrative Services	632,699		94,144		(538,555)		(538,555)
School Administrative Services	1,971,077		404,694		(1,566,383)		(1,566,383)
Plant Operations and Maintenance	2,198,405		23,582		(2,174,823)		(2,174,823)
Pupil Transportation	600,407		45,279		(555,128)		(555,128)
Central Services	883,974				(883,974)		(883,974)
Interest on Long-Term Debt	208,039	-	-	-	(208,039)	-	(208,039)
Total Governmental Activities	34,044,504	64,323	7,244,511	49,817	(26,685,853)	-	(26,685,853)
Business-Type Activities							
Food Service	232,419	242,463	-	-	-	\$ 10,044	10,044
Total Business-Type Activities	232,419	242,463	-	-	-	10,044	10,044
Total Primary Government	\$ 34,276,923	\$ 306,786	\$ 7,244,511	\$ 49,817	(26,685,853)	10,044	(26,675,809)
General Revenues							
Taxes:							
Property Taxes, Levied for General Purposes, Net					26,771,760		26,771,760
Taxes Levied for Debt Service					687,000		687,000
Unrestricted State Aid					37,173		37,173
Miscellaneous Income					163,666	270	163,936
Total General Revenues and Special Items					27,659,599	270	27,659,869
Change in Net Position					973,746	10,314	984,060
Net Position, Beginning of Year (Re-Stated)					7,253,481	65,591	7,319,072
Net Position, End of Year					\$ 8,227,227	\$ 75,905	\$ 8,303,132

FUND FINANCIAL STATEMENTS

WALDWICK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,078,376	\$ 66,615	\$ 7		\$ 3,144,998
Due from Other Funds	597				597
Receivables from Other Governments	54,949	31,710	-	-	86,659
Total Assets	<u>\$ 3,133,922</u>	<u>\$ 98,325</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 3,232,254</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 86,921	\$ 3,216			\$ 90,137
Deposits Payable	13,020				13,020
Due to Other Funds		9	\$ 7		16
Payable to State Government		80,297			80,297
Payable to Federal Government		5,966			5,966
Unearned Revenue	2,040	8,837	-	-	10,877
Total Liabilities	<u>101,981</u>	<u>98,325</u>	<u>7</u>	<u>-</u>	<u>200,313</u>
Fund Balances					
Restricted Fund Balance					
Reserved Excess Surplus - Designated for					
Subsequent Year's Expenditures	725,517				725,517
Reserved Excess Surplus	750,393				750,393
Capital Reserve	1,140,160				1,140,160
Assigned Fund Balance					
Year-End Encumbrances	37,256				37,256
Designated for Subsequent Year's					
Expenditures	96,523				96,523
Unassigned Fund Balance					
General Fund	282,092	-	-	-	282,092
Total Fund Balances	<u>3,031,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,031,941</u>
Total Liabilities and Fund Balances	<u>\$ 3,133,922</u>	<u>\$ 98,325</u>	<u>\$ 7</u>	<u>\$ -</u>	

WALDWICK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015

Total Governmental Fund Balances \$ 3,031,941

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 net assets is \$29,384,952 and the accumulated depreciation is \$11,409,968.

17,974,984

The District has financial capital assets through the issuance of serial bonds. The interest accrual at year end is:

(54,600)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$	1,002,317
Deferred Inflows of Resources		<u>(479,758)</u>

522,559

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable, Including Premium	\$	(4,996,237)
Deferred Outflows of Resources- Deferred		
Amounts on Refunding of Debt		255,279
Compensated Absences		(456,327)
Net Pension Liability		<u>(8,050,372)</u>

(13,247,657)

Net Position (Exhibit A-1)

\$ 8,227,227

WALDWICK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 26,771,760			\$ 687,000	\$ 27,458,760
Miscellaneous	<u>227,828</u>	\$ 234	\$ 161	-	<u>228,223</u>
Total - Local Sources	26,999,588	234	161	687,000	27,686,983
State Sources	3,898,854	133,186			4,032,040
Federal Sources	<u>-</u>	<u>437,384</u>	<u>-</u>	<u>-</u>	<u>437,384</u>
Total Revenues	<u>30,898,442</u>	<u>570,804</u>	<u>161</u>	<u>687,000</u>	<u>32,156,407</u>
EXPENDITURES					
Current					
Regular Instruction	12,114,936	234			12,115,170
Special Education Instruction	6,091,165	364,567			6,455,732
Other Instruction	964,358	184,923			1,149,281
School-Sponsored Activities and Athletics	779,676				779,676
Support Services					
Student and Instruction Related Services	2,843,222	21,080			2,864,302
Health Services	400,954				400,954
Educational Media/School Library	236,278				236,278
School Administrative Services	1,683,247				1,683,247
General Administrative Services	565,741				565,741
Plant Operations and Maintenance	2,125,194				2,125,194
Pupil Transportation	591,339				591,339
Central Services	842,724				842,724
Debt Service					
Principal				490,000	490,000
Interest and Other Charges	30,028			197,000	227,028
Capital Outlay	<u>1,108,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108,705</u>
Total Expenditures	<u>30,377,567</u>	<u>570,804</u>	<u>-</u>	<u>687,000</u>	<u>31,635,371</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>520,875</u>	<u>-</u>	<u>161</u>	<u>-</u>	<u>521,036</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	161				161
Transfers Out	<u>-</u>	<u>-</u>	<u>(161)</u>	<u>-</u>	<u>(161)</u>
Total Other Financing Sources and Uses	<u>161</u>	<u>-</u>	<u>(161)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	521,036	-	-	-	521,036
Fund Balance, Beginning of Year	<u>2,510,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,510,905</u>
Fund Balance, End of Year	<u>\$ 3,031,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,031,941</u>

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

**WALDWICK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 521,036

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 1,108,705	
Donated Capital Assets	49,817	
Depreciation Expense	<u>(937,033)</u>	
		221,489

In the statement of activities, "the issuance of long-term debt (e.g. bonds, loans and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and other such items related to the refunding bond when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Bond Premium	68,851	
Amortization of Deferred Amounts on Refunding	(55,579)	
Principal Repayments		
Bond Principal	<u>490,000</u>	
		503,272

In the statement of activities, certain operating expenses - compensated absences net pension liability and claims and judgments for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Net Pension Liability	(196,956)	
Increase Compensated Absences	<u>(80,812)</u>	
		(277,768)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>5,717</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 973,746

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

**WALDWICK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 62,606
Inventories	<u>2,020</u>
Total Current Assets	<u>64,626</u>
Capital Assets	
Equipment	62,407
Less: Accumulated Depreciation	<u>(48,534)</u>
Total Capital Assets, Net	<u>13,873</u>
Total Assets	<u>78,499</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>2,594</u>
Total Current Liabilities	<u>2,594</u>
Total Liabilities	<u>2,594</u>
NET POSITION	
Investment in Capital Assets	13,873
Unrestricted	<u>62,032</u>
Total Net Position	<u>\$ 75,905</u>

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

**WALDWICK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 242,146
Special Functions	<u>317</u>
 Total Operating Revenues	 <u>242,463</u>
OPERATING EXPENSES	
Cost of Sales	96,551
Salaries and Employee Benefits	100,053
Purchase Professional Services	26,361
Supplies and Materials	7,505
Depreciation	<u>1,949</u>
 Total Operating Expenses	 <u>232,419</u>
 Operating Income	 <u>10,044</u>
NONOPERATING REVENUES	
Interest on Deposits	<u>270</u>
 Total Nonoperating Revenues	 <u>270</u>
 Change in Net Position	 10,314
Total Net Position, Beginning of Year	<u>65,591</u>
Total Net Position, End of Year	<u>\$ 75,905</u>

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

**WALDWICK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 242,463
Cash Payments for Employees' Salaries and Benefits	(100,053)
Cash Payments to Suppliers for Goods and Services	<u>(130,640)</u>
Net Cash Provided by (Used for) by Operating Activities	<u>11,770</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from Federal Subsidy Reimbursements	<u>64</u>
Net Cash Provided by Noncapital Financing Activities	<u>64</u>
Cash Flows used in Financing Activities	
Acquisition of Capital Assets	<u>(6,655)</u>
Net Cash Used by Financing Activities	<u>(6,655)</u>
Cash Flows from Investing Activities	
Interest on Deposits	<u>270</u>
Net Cash Provided by Investing Activities	<u>270</u>
Net Increase in Cash and Cash Equivalents	5,449
Cash and Cash Equivalents, Beginning of Year	<u>57,157</u>
Cash and Cash Equivalents, End of Year	<u>\$ 62,606</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	<u>\$ 10,044</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	1,949
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(300)
(Increase)/Decrease in Inventory	<u>77</u>
Total Adjustments	<u>1,726</u>
Net Cash Provided by Operating Activities	<u>\$ 11,770</u>

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

**WALDWICK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose Trust Funds	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 291,051	\$ 21,943	\$ 66,319
Total Assets	<u>291,051</u>	<u>21,943</u>	<u>\$ 66,319</u>
LIABILITIES			
Due to Other Funds			\$ 580
Due to State of New Jersey	717		
Payroll Deductions and Withholdings			14,749
Flex Spending Benefits			4,622
Due to Student Groups	<u>-</u>	<u>-</u>	<u>46,368</u>
Total Liabilities	<u>717</u>	<u>-</u>	<u>\$ 66,319</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 290,334</u>	<u>\$ 21,943</u>	

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

**WALDWICK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose <u>Trust Funds</u>
ADDITIONS		
Contributions		
Board Contributions	\$ 70,000	
Employees	45,146	
Donations		\$ 6,000
Investment Earnings		
Interest	<u>851</u>	<u>92</u>
Total Additions	<u>115,997</u>	<u>6,092</u>
DEDUCTIONS		
Scholarships Awarded		14,000
Unemployment Claims and Contributions	<u>26,429</u>	<u>-</u>
Total Deductions	<u>26,429</u>	<u>14,000</u>
Change in Net Position	89,568	(7,908)
Net Position, Beginning of Year	<u>200,766</u>	<u>29,851</u>
Net Position, End of Year	<u>\$ 290,334</u>	<u>\$ 21,943</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
WALDWICK BOARD OF EDUCATION**

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Waldwick Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Waldwick Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-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 with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for 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.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) 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. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-20

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, one type which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund, special revenue fund, and debt service fund which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 23, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$105,465. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or 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 which are reappropriated and honored during the subsequent fiscal year.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 615,160
Increased by:	
Deposits Approved by Board Resolution	<u>525,000</u>
Balance, June 30, 2015	<u>\$ 1,140,160</u>

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2015 is \$1,475,910. Of this amount, \$725,517 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$750,393 will be appropriated in the 2016/2017 original budget certified for taxes.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$3,586,917 and bank and brokerage firm balances of the Board's deposits amounted to \$3,910,730. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 3,910,730</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board's bank balances were not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental	\$ 54,949	\$ 31,710	\$ 86,659
Net Total Receivables	<u>\$ 54,949</u>	<u>\$ 31,710</u>	<u>\$ 86,659</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
General Fund	
2015/16 Preschool Tuition	\$ 2,040
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>8,837</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 10,877</u>

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Deletions</u>	Balance, <u>June 30, 2015</u>
Governmental activities:				
Capital Assets, Being Depreciated:				
Land Improvements	\$ 1,469,252			\$ 1,469,252
Buildings and Building Improvements	24,573,614	\$ 96,842		24,670,456
Machinery and Equipment	2,183,564	1,061,680	-	3,245,244
	<u>28,226,430</u>	<u>1,158,522</u>	<u>-</u>	<u>29,384,952</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation for:				
Land Improvements	(1,087,793)	(36,436)		(1,124,229)
Buildings and Building Improvements	(8,082,117)	(636,227)		(8,718,344)
Machinery and Equipment	(1,303,025)	(264,370)	-	(1,567,395)
	<u>(10,472,935)</u>	<u>(937,033)</u>	<u>-</u>	<u>(11,409,968)</u>
Total Accumulated Depreciation				
Total Capital Assets, Being Depreciated, Net	<u>17,753,495</u>	<u>221,489</u>	<u>-</u>	<u>17,974,984</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,753,495</u>	<u>\$ 221,489</u>	<u>\$ -</u>	<u>\$ 17,974,984</u>
Business-Type activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 55,752	\$ 6,655	-	\$ 62,407
	<u>55,752</u>	<u>6,655</u>	<u>-</u>	<u>62,407</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation for:				
Machinery and Equipment	(46,585)	(1,949)	-	(48,534)
	<u>(46,585)</u>	<u>(1,949)</u>	<u>-</u>	<u>(48,534)</u>
Total Accumulated Depreciation				
Total Capital Assets, Being Depreciated, Net	<u>9,167</u>	<u>4,706</u>	<u>-</u>	<u>13,873</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,167</u>	<u>\$ 4,706</u>	<u>\$ -</u>	<u>\$ 13,873</u>

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 430,002
Special	155,123
Other Special Instruction	36,266
School-Sponsored/Other Instructional	<u>25,317</u>
Total Instruction	<u>646,708</u>
Support Services	
Student Services - Students	96,773
Health Services	13,972
Educational Media	7,785
School Administration	62,071
General Administration	14,440
Plant Operations and Maintenance	56,471
Pupil Transportation	6,995
Central Services	<u>31,818</u>
Total Support Services	<u>290,325</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 937,033</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 1,949</u>

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency	\$ 580
General Fund	Special Revenue	9
General Fund	Capital Projects	<u>7</u>
		<u>\$ 597</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund.

The District expects all interfund balances to be liquidated within one year.

Interfund transfers

	<u>Transfer In:</u>
	<u>General Fund</u>
Transfer Out:	
Capital Projects Fund	<u>\$ 161</u>
 Total Transfers Out	 <u>\$ 161</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$4,680,000, Refunding School Bonds, due in annual installments of \$515,000 to \$625,000 through September 15, 2022, interest at 4.00%	<u>\$ 4,680,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 515,000	\$ 176,900	\$ 691,900
2017	540,000	155,800	695,800
2018	560,000	133,800	693,800
2019	585,000	110,900	695,900
2020	610,000	87,000	697,000
2021-2022	<u>1,870,000</u>	<u>112,400</u>	<u>1,982,400</u>
	<u>\$ 4,680,000</u>	<u>\$ 776,800</u>	<u>\$ 5,456,800</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 60,386,882
Less: Net Debt	<u>4,680,000</u>
Remaining Borrowing Power	<u>\$ 55,706,882</u>

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014	<u>Increased</u>	<u>Decreased</u>	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 5,170,000		\$ 490,000	\$ 4,680,000	\$ 515,000
Add: Original Issue Premium	<u>385,088</u>	<u>-</u>	<u>68,851</u>	<u>316,237</u>	<u>-</u>
Total Bonds Payable	5,555,088	-	558,851	4,996,237	515,000
Net Pension Liability	7,330,857	\$ 1,073,983	354,468	8,050,372	388,854
Compensated Absences	<u>375,515</u>	<u>114,876</u>	<u>34,064</u>	<u>456,327</u>	<u>50,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 13,261,460</u>	<u>\$ 1,188,859</u>	<u>\$ 947,383</u>	<u>\$ 13,502,936</u>	<u>\$ 953,854</u>

Compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Fiscal Year Ended</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 70,000	\$ 45,146	\$ 26,429	\$ 290,334
2014	83,000	43,674	38,009	200,766
2013	70,000	43,190	67,779	111,202

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District had no estimated arbitrage earnings due to the IRS if any.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 354,468	\$ 666,420	\$ 11,992
2014	297,337	511,668	13,214
2013	275,842	779,979	1,495

For fiscal years 2014/2015 and 2012/2013, the state contributed \$666,420 and \$779,979, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$511,668 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$951,724 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$8,050,372 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .04200 percent, which was an increase of .00364 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$551,424 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 253,147	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 479,758
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>749,170</u>	<u>-</u>
Total	<u>\$ 1,002,317</u>	<u>\$ 479,758</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ 64,310
2017	64,310
2018	64,310
2019	64,310
2020	184,249
Thereafter	<u>81,070</u>
	<u>\$ 522,559</u>

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,478,446 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$64,643,853. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

TPAF

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

WALDWICK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

TPAF

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2027

Municipal Bond Rate * From July 1, 2027
 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<u>1% Decrease (3.68%)</u>	<u>Current Discount Rate (4.68%)</u>	<u>1% Increase (5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 77,749,748</u>	<u>\$ 64,643,853</u>	<u>\$ 53,743,607</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**WALDWICK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,057,942, \$838,944 and \$881,960, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the Waldwick Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Waldwick Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$7,330,857. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$14,584,338 as originally reported to \$7,253,481 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 26,771,760		\$ 26,771,760	\$ 26,771,760	
Tuition	6,600		6,600	64,323	\$ 57,723
Miscellaneous	112,283	-	112,283	163,505	51,222
Total Revenues- Local Sources	26,890,643	-	26,890,643	26,999,588	108,945
State Sources					
Categorical Transportation Aid	37,973		37,973	37,973	
Categorical Special Education Aid	752,149		752,149	752,149	
Equalization Aid	6,011		6,011	6,011	
Categorical Security Aid	24,067		24,067	24,067	
PARCC Readiness	16,220		16,220	16,220	
Per Pupil Growth Aid	16,220		16,220	16,220	
Additional Adjustment Aid	1		1	1	
Extraordinary Aid	251,938		251,938	395,140	143,202
Nonpublic Transportation Aid				7,952	7,952
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				621,692	621,692
NCGI Premium				44,728	44,728
Post-Retirement Medical Contribution				1,057,942	1,057,942
On-behalf TPAF Soc. Sec. (Non-Budgeted)	-	-	-	951,724	951,724
Total State Sources	1,104,579	-	1,104,579	3,931,819	2,827,240
Total Revenues	27,995,222	-	27,995,222	30,931,407	2,936,185
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	443,417	\$ (26)	443,391	443,391	
Grades 1-5	2,687,592	20,541	2,708,133	2,708,133	
Grades 6-8	1,866,831	(37,986)	1,828,845	1,815,215	13,630
Grades 9-12	2,723,496	66,835	2,790,331	2,785,516	4,815
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	45,500	(24,249)	21,251	12,868	8,383
Purchased Technical Services	15,500	(8,520)	6,980	5,939	1,041
Other Purchased Services	58,220	(1,776)	56,444	53,320	3,124
General Supplies	754,377	(335,272)	419,105	412,679	6,426
Textbooks	58,000	15,334	73,334	71,721	1,613
Other Objects	17,499	(5,654)	11,845	9,764	2,081
Total Regular Programs	8,670,432	(310,773)	8,359,659	8,318,546	41,113
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	306,851	6,074	312,925	312,925	-
Other Salaries for Instruction	922,348	(38,214)	884,134	797,229	86,905
General Supplies	5,000	1,195	6,195	5,469	726
Textbooks	5,000	-	5,000	1,276	3,724
Other Objects	47,450	(17,800)	29,650	27,665	1,985
Total Learning and/or Language Disabilities	1,286,649	(48,745)	1,237,904	1,144,564	93,340

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Resource Room					
Salaries of Teachers	\$ 1,394,251	\$ 16,200	\$ 1,410,451	\$ 1,410,451	
Purchased Professional-Educational Services	5,000	1,449	6,449	5,580	\$ 869
General Supplies	6,000	(1,428)	4,572	2,711	1,861
Other Objects	10,000	(573)	9,427	1,368	8,059
Total Resource Room	<u>1,415,251</u>	<u>15,648</u>	<u>1,430,899</u>	<u>1,420,110</u>	<u>10,789</u>
Autism					
Other Salaries for Instruction	100,000	-	100,000	55,616	44,384
Total Autism	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>55,616</u>	<u>44,384</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	63,984	(1,403)	62,581	62,400	181
Other Salaries for Instruction	22,056	-	22,056	13,578	8,478
General Supplies	2,000	-	2,000	180	1,820
Total Preschool Disabilities - Part - Time	<u>88,040</u>	<u>(1,403)</u>	<u>86,637</u>	<u>76,158</u>	<u>10,479</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	63,577	2,663	66,240	66,240	-
Other Salaries for Instruction	100,359	(2,961)	97,398	78,180	19,218
Total Preschool Disabilities - Full - Time	<u>163,936</u>	<u>(298)</u>	<u>163,638</u>	<u>144,420</u>	<u>19,218</u>
Total Special Education - Instruction	<u>3,053,876</u>	<u>(34,798)</u>	<u>3,019,078</u>	<u>2,840,868</u>	<u>178,210</u>
Basic Skills/Remedial					
Salaries of Teachers	491,722	(1,743)	489,979	483,066	6,913
Total Basic Skills/Remedial	<u>491,722</u>	<u>(1,743)</u>	<u>489,979</u>	<u>483,066</u>	<u>6,913</u>
Bilingual Education					
Salaries of Teachers	135,830	655	136,485	136,485	-
Other Salaries for Instruction	34,261	1	34,262	34,262	-
Total Bilingual Education	<u>170,091</u>	<u>656</u>	<u>170,747</u>	<u>170,747</u>	<u>-</u>
School Sponsored Co-Curricular Activities					
Salaries	134,908	-	134,908	130,124	4,784
Purchased Services		200	200	200	-
Supplies and Materials	3,250	(488)	2,762	2,493	269
Total School Sponsored Co-Curricular Activities	<u>138,158</u>	<u>(288)</u>	<u>137,870</u>	<u>132,817</u>	<u>5,053</u>
School Sponsored Athletics - Instruction					
Salaries	335,239	-	335,239	326,310	8,929
Purchased Services	63,700	5,001	68,701	64,753	3,948
Supplies and Materials	38,491	(4,553)	33,938	33,938	-
Other Objects	-	5,890	5,890	5,890	-
Total School Sponsored Athletics - Instruction	<u>437,430</u>	<u>6,338</u>	<u>443,768</u>	<u>430,891</u>	<u>12,877</u>
Total - Instruction	<u>12,961,709</u>	<u>(340,608)</u>	<u>12,621,101</u>	<u>12,376,935</u>	<u>244,166</u>

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	\$ 468,800	\$ (59,000)	\$ 409,800	\$ 381,944	\$ 27,856
Tuition to County Vocational School District-Reg.	136,872	-	136,872	114,262	22,610
Tuition to County Vocational School District-Special	35,000	-	35,000	34,560	440
Tuition to CSSD & Regional Day Schools	773,100	(97,503)	675,597	635,024	40,573
Tuition to Private Schools - Disabled - State	814,496	70,289	884,785	848,282	36,503
Tuition - Other	44,700	-	44,700	22,163	22,537
Total Undistributed Expenditures - Instruction	2,272,968	(86,214)	2,186,754	2,036,235	150,519
Attendance and Social Work					
Salaries	57,626	(4,029)	53,597	53,352	245
Total Attendance and Social Work	57,626	(4,029)	53,597	53,352	245
Health Services					
Salaries	249,627	2,422	252,049	251,899	150
Purchased Professional and Technical Services	14,645	3,415	18,060	18,060	-
Other Purchased Services	41,736	(41,061)	675	675	-
Supplies and Materials	3,150	(171)	2,979	2,964	15
Other Objects	2,000	6,166	8,166	8,166	-
Total Health Services	311,158	(29,229)	281,929	281,764	165
Speech, OT, PT & Related Svcs					
Salaries	366,182	(17,115)	349,067	340,902	8,165
Purchased Professional -Educational Services	100,000	16,911	116,911	87,945	28,966
Supplies and Materials	3,000	(1,528)	1,472	107	1,365
Other Objects	500	-	500	-	500
Total Speech, OT, PT & Related Svcs	469,682	(1,732)	467,950	428,954	38,996
Guidance					
Salaries of Other Professional Staff	357,914	6,048	363,962	363,962	-
Salaries of Secretarial and Clerical Assistants	96,546	1,988	98,534	98,534	-
Other Purchased Professional -Technical Services	30,659	(872)	29,787	24,275	5,512
Supplies and Materials	12,143	(25)	12,118	11,950	168
Other Objects	-	25	25	25	-
Total Guidance	497,262	7,164	504,426	498,746	5,680
Child Study Teams					
Salaries of Other Professional Staff	481,359	12,935	494,294	493,980	314
Salaries of Secretarial and Clerical Assistants	79,738	(124)	79,614	78,676	938
Other Salaries	-	-	-	(97)	97
Purchased Professional-Educational Services	20,400	-	20,400	17,008	3,392
Miscellaneous Purchased Services	4,600	-	4,600	3,591	1,009
Supplies and Materials	20,000	-	20,000	15,079	4,921
Other Objects	500	-	500	350	150
Total Child Study Teams	606,597	12,811	619,408	608,587	10,821

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services/					
Salaries of Supervisor of Instruction	\$ 473,916	\$ (41,928)	\$ 431,988	\$ 413,893	\$ 18,095
Purchased Professional-Educational Services	10,000	-	10,000	2,000	8,000
Other Purchased Services	5,000	-	5,000	968	4,032
Other Objects	4,400	-	4,400	4,280	120
	<u>493,316</u>	<u>(41,928)</u>	<u>451,388</u>	<u>421,141</u>	<u>30,247</u>
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff					
	<u>493,316</u>	<u>(41,928)</u>	<u>451,388</u>	<u>421,141</u>	<u>30,247</u>
Educational Media Services/School Library					
Salaries	138,996	1,357	140,353	140,353	-
Purchased Professional and Technical Services	2,000	100	2,100	2,100	-
Supplies and Materials	28,041	(550)	27,491	27,415	76
	<u>169,037</u>	<u>907</u>	<u>169,944</u>	<u>169,868</u>	<u>76</u>
Total Educational Media Services/School Library					
	<u>169,037</u>	<u>907</u>	<u>169,944</u>	<u>169,868</u>	<u>76</u>
Instructional Staff Training Services					
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	14,500	180	14,680	3,768	10,912
	<u>14,500</u>	<u>180</u>	<u>14,680</u>	<u>3,768</u>	<u>10,912</u>
Total Instructional Staff Training Services					
	<u>14,500</u>	<u>180</u>	<u>14,680</u>	<u>3,768</u>	<u>10,912</u>
Support Services General Administration					
Salaries	291,420	(21,000)	270,420	260,323	10,097
Legal Services	90,000	(12,386)	77,614	16,993	60,621
Audit Fees	29,900	37,638	67,538	31,145	36,393
Architectural/Engineering Services	2,375	15,000	17,375	7,300	10,075
Other Purchased Professional Services	22,356	-	22,356	6,553	15,803
Communications/Telephone	47,363	4,214	51,577	50,990	587
Other Purchased Services	-	-	-	-	-
BOE Other Purchased Prof. Svc.	2,707	-	2,707	330	2,377
Miscellaneous Purchased Services	7,610	43,892	51,502	47,923	3,579
General Supplies	13,500	(4,895)	8,605	4,384	4,221
Miscellaneous Expenditures	5,000	-	5,000	4,637	363
BOE Membership Dues and Fees	12,250	-	12,250	11,988	262
	<u>524,481</u>	<u>62,463</u>	<u>586,944</u>	<u>442,566</u>	<u>144,378</u>
Total Support Services General Administration					
	<u>524,481</u>	<u>62,463</u>	<u>586,944</u>	<u>442,566</u>	<u>144,378</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	838,047	9,047	847,094	847,094	-
Salaries of Secretarial and Clerical Assistants	275,877	21,763	297,640	271,943	25,697
Purchased Professional and Technical Services	-	750	750	739	11
Other Purchased Services	5,500	1,692	7,192	4,692	2,500
Supplies and Materials	25,700	14,218	39,918	24,195	15,723
Other Objects	-	3,069	3,069	3,069	-
	<u>1,145,124</u>	<u>50,539</u>	<u>1,195,663</u>	<u>1,151,732</u>	<u>43,931</u>
Total Support Services School Administration					
	<u>1,145,124</u>	<u>50,539</u>	<u>1,195,663</u>	<u>1,151,732</u>	<u>43,931</u>
Central Services					
Salaries	418,014	4,509	422,523	422,222	301
Purchased Professional Services	1,734	3,116	4,850	3,350	1,500
Purchased Technical Services	31,292	(650)	30,642	29,735	907
Misc. Purchased Services	1,354	-	1,354	580	774
Supplies and Materials	13,033	(3,025)	10,008	9,988	20
Other Objects	6,803	(2,137)	4,666	4,666	-
	<u>472,230</u>	<u>1,813</u>	<u>474,043</u>	<u>470,541</u>	<u>3,502</u>
Total Central Services					
	<u>472,230</u>	<u>1,813</u>	<u>474,043</u>	<u>470,541</u>	<u>3,502</u>

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Tech					
Salaries	\$ 124,506	\$ 47,484	\$ 171,990	\$ 151,403	\$ 20,587
Purchased Professional Services	-	15,400	15,400	15,400	-
Other Purchased Services	30,825	-	30,825	28,209	2,616
Supplies and Materials	23,645	(8,192)	15,453	6,907	8,546
Total Admin. Info. Tech	178,976	54,692	233,668	201,919	31,749
Required Maintenance for School Facilities					
Salaries	203,347	(4,398)	198,949	198,410	539
Cleaning, Repair and Maintenance	37,700	9,365	47,065	46,080	985
General Supplies	6,450	5,466	11,916	11,912	4
Total Required Maintenance for School Facilities	247,497	10,433	257,930	256,402	1,528
Custodial Services					
Salaries	818,753	(52,694)	766,059	762,335	3,724
Purchased Professional & Technical Svcs.	26,392	(1,256)	25,136	25,136	-
Other Purchased Property Services	20,000	500	20,500	20,500	-
Insurance	163,059	(3,402)	159,657	159,657	-
Miscellaneous Purchased Services	-	802	802	802	-
General Supplies	100,400	(21,209)	79,191	79,134	57
Energy (Natural Gas)	143,339	(17,269)	126,070	104,697	21,373
Energy (Electricity)	322,198	-	322,198	309,411	12,787
Energy (Gasoline)	4,500	3,402	7,902	7,901	1
Other Objects	1,200	(25)	1,175	881	294
Total Custodial Services	1,599,841	(91,151)	1,508,690	1,470,454	38,236
Care and Upkeep of Grounds					
Salaries	57,530	(196)	57,334	57,334	-
Purchased Professional & Technical Svcs.	10,000	12,582	22,582	22,021	561
Cleaning, Repair & Maintenance	2,000	(580)	1,420	1,420	-
General Supplies	9,000	6,581	15,581	15,376	205
Total Care and Upkeep of Grounds	78,530	18,387	96,917	96,151	766
Total Oper & Maint of Plant Services	1,925,868	(62,331)	1,863,537	1,823,007	40,530

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	\$ 15,651	\$ -	\$ 15,651	\$ 15,650	\$ 1
Salaries for Pupil Transportation					
(Between Home and School) - Spec. Ed.	39,381	651	40,032	40,032	
Salaries for Pupil Transportation					
(Other than Between Home and School)	80,844	(652)	80,192	70,423	9,769
Cleaning, Repair and Maintenance Services	9,186	195	9,381	9,381	-
Contracted Services (Other Than Between Home and School) - Vendors	20,475	(3,657)	16,818	8,978	7,840
Contracted Services (Regular Students)- ESCs & CTSAs	95,068	(26,677)	68,391	55,662	12,729
Contracted Services (Spl. Ed. Students)- ESCs & CTSAs	422,698	(35,409)	387,289	318,458	68,831
Contracted Services-Aid in Lieu of Payments-Nonpublic	24,495	4,677	29,172	26,446	2,726
Contracted Services-Aid in Lieu of Pymts - Choice Sch. Students	907		907	884	23
Transportation Supplies	8,400	250	8,650	7,994	656
Total Student Transportation Services	<u>717,105</u>	<u>(60,622)</u>	<u>656,483</u>	<u>553,908</u>	<u>102,575</u>
Unallocated Benefits					
Social Security Contributions	325,454	-	325,454	314,558	10,896
Other Retirement Contributions - PERS	364,879	-	364,879	354,468	10,411
Other Retirement Contributions - Regular	18,000	-	18,000	11,992	6,008
Unemployment Compensation	70,000		70,000	70,000	-
Workers Comp	142,511	(5,888)	136,623	117,090	19,533
Health Benefits	4,365,791	-	4,365,791	4,112,083	253,708
Tuition Reimbursement	45,000	2,150	47,150	25,470	21,680
Other Employee Benefits	28,253	5,889	34,142	34,064	78
Total Unallocated Benefits	<u>5,359,888</u>	<u>2,151</u>	<u>5,362,039</u>	<u>5,039,725</u>	<u>322,314</u>
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				621,692	(621,692)
NCGI Premium				44,728	(44,728)
Post Retirement Medical Contributions				1,057,942	(1,057,942)
On-behalf TPAF Soc. Sec. Contr. (Non-Budgeted)	-	-	-	951,724	(951,724)
Total On-Behalf TPAF	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,676,086</u>	<u>(2,676,086)</u>
Total Undistributed Expenditures	<u>15,215,818</u>	<u>(93,365)</u>	<u>15,122,453</u>	<u>16,861,899</u>	<u>(1,739,446)</u>
Total Expenditures - Current Expense	<u>28,177,527</u>	<u>(433,973)</u>	<u>27,743,554</u>	<u>29,238,834</u>	<u>(1,495,280)</u>

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CAPITAL OUTLAY					
Instruction					
Equipment					
Grades 1-5		\$ 4,101	\$ 4,101	\$ 4,101	
Grades 9-12		3,699	3,699	3,699	
Special Education-Instruction					
Learning and/or Language Disabilities		14,552	14,552	14,539	\$ 13
Undistributed					
Care and Upkeep of Grounds		2,500	2,500	2,500	
Support Services-Instruc. Staff		2,385	2,385	2,385	
Admin. Info Tech.	-	8,191	8,191	8,191	
School Buses - Regular	-	44,192	44,192	44,192	-
Total Equipment	-	79,620	79,620	79,607	13
Facilities Acquisition and Construction Services					
Legal Services	\$ 3,000	(3,000)	-	-	-
Architectural/Engineering Services	66,000	(66,000)	-	-	-
Construction Services	531,083	498,015	1,029,098	1,029,098	-
Supplies and Materials	30,000	(30,000)	-	-	-
Assessment for Debt Service on SDA Funding	30,028	-	30,028	30,028	-
	<u>660,111</u>	<u>399,015</u>	<u>1,059,126</u>	<u>1,059,126</u>	<u>-</u>
Total Capital Outlay	660,111	478,635	1,138,746	1,138,733	13
Total Expenditures	28,837,638	44,662	28,882,300	30,377,567	(1,495,267)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(842,416)</u>	<u>(44,662)</u>	<u>(887,078)</u>	<u>553,840</u>	<u>1,440,918</u>
Other Financing Sources/(Uses)					
Transfer In	-	-	-	161	161
Total Other Financing Sources/(Uses)	-	-	-	161	161
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	<u>(842,416)</u>	<u>(44,662)</u>	<u>(887,078)</u>	<u>554,001</u>	<u>1,441,079</u>
Fund Balances, Beginning of Year	<u>2,901,032</u>	<u>-</u>	<u>2,901,032</u>	<u>2,901,032</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,058,616</u>	<u>\$ (44,662)</u>	<u>\$ 2,013,954</u>	<u>\$ 3,455,033</u>	<u>\$ 1,441,079</u>
Recapitulation					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 725,517	
Reserve for Excess Surplus				750,393	
Capital Reserve				1,140,160	
Assigned Fund Balance:					
Year-End Encumbrances				37,256	
Designated for Subsequent Year's Expenditures				96,523	
Unassigned Fund Balance				<u>705,184</u>	
Budgetary Fund Balance				3,455,033	
Reconciliation to Governmental Funds Statements (GAAP)					
2014/2015 State Aid Payment Not Recognized on a GAAP Basis				27,952	
2014/2015 Extraordinary Aid Payments Not Recognized on a GAAP Basis				<u>395,140</u>	
Fund Balances per Governmental Funds (GAAP)				<u>\$ 3,031,941</u>	

**WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Local	\$ 2,500		\$ 2,500	\$ 234	\$ (2,266)
Intergovernmental					
State	210,463	\$ 3,020	213,483	133,186	(80,297)
Federal	<u>387,657</u>	<u>57,783</u>	<u>445,440</u>	<u>437,384</u>	<u>(8,056)</u>
Total Revenues	<u>600,620</u>	<u>60,803</u>	<u>661,423</u>	<u>570,804</u>	<u>(90,619)</u>
EXPENDITURES					
Instruction					
Purchased Prof. & Technical Services	180,811	(7,084)	173,727	94,007	79,720
Purchased Professional/Educational Services	1,800	(1,741)	59	59	
Tuition	301,302	39,025	340,327	340,327	
General Supplies	12,319	7,085	19,404	19,112	292
Textbooks	<u>10,120</u>	<u>1,737</u>	<u>11,857</u>	<u>11,820</u>	<u>37</u>
Total Instruction	<u>506,352</u>	<u>39,022</u>	<u>545,374</u>	<u>465,325</u>	<u>80,049</u>
Support Services					
Salaries	5,814	4,022	9,836	9,836	
Purchased Professional/Educational Services	37,791	(6,169)	31,622	31,584	38
Purchased Professional/Technical Services	24,660	7,389	32,049	24,240	7,809
Other Purchased Professional Services	15,842	5,689	21,531	21,080	451
Travel		17,819	17,819	17,813	6
General Supplies	<u>10,161</u>	<u>(6,969)</u>	<u>3,192</u>	<u>926</u>	<u>2,266</u>
Total Support Services	<u>94,268</u>	<u>21,781</u>	<u>116,049</u>	<u>105,479</u>	<u>10,570</u>
Total Expenditures	<u>600,620</u>	<u>60,803</u>	<u>661,423</u>	<u>570,804</u>	<u>90,619</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**WALDWICK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds 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 following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-2)	(C-1) \$ 30,931,407	(C-2) \$ 570,804
State Aid payments and Extraordinary Aid (2013/2014) recognized for GAAP purposes, not recognized for budgetary statements.	390,127	
State Aid payments and Extraordinary Aid (2014/2015) not recognized for GAAP purposes, recognized for budgetary statements.	<u>(423,092)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>30,898,442</u>	(B-2) \$ <u>570,804</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>30,377,567</u>	(C-2) \$ <u>570,804</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>30,377,567</u>	(B-2) \$ <u>570,804</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

WALDWICK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.04300 %	0.03836 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,050,372	\$ 7,330,857
District's Covered-Employee Payroll	\$ 2,588,920	\$ 2,844,778
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	310 %	258 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALDWICK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 354,468	\$ 297,337
Contributions in Relation to the Contractually Required Contribution	<u>354,468</u>	<u>297,337</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,588,920	\$ 2,844,778
Contributions as a Percentage of Covered-Employee Payroll	0.13692 %	0.10452 %

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALDWICK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Two Fiscal Years*

	2015	2014
District's Proportion of the Net Position Liability (Asset)	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
Total	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
District's Covered-Employee Payroll	\$ 12,145,441	\$ 12,331,615
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALDWICK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Nonpublic Compensatory Education</u>	<u>Nonpublic ESL</u>	<u>Nonpublic Suppl. Inst.</u>	<u>Nonpublic Exam. and Class.</u>	<u>Nonpublic Speech Corr.</u>	<u>Non-Public Technology</u>	<u>Local Programs</u>	<u>Total Exhibit E-2A</u>	<u>Total 2015</u>
REVENUES									
Local							\$ 234		\$ 234
Intergovernmental									
State	\$ 35,563	\$ 12,515	\$ 11,378	\$ 18,736	\$ 15,815	\$ 6,279		\$ 32,900	133,186
Federal	-	-	-	-	-	-	-	437,384	437,384
Total Revenues	<u>\$ 35,563</u>	<u>\$ 12,515</u>	<u>\$ 11,378</u>	<u>\$ 18,736</u>	<u>\$ 15,815</u>	<u>\$ -</u>	<u>\$ 234</u>	<u>\$ 470,284</u>	<u>\$ 570,804</u>
EXPENDITURES									
Instruction									
Purchased Professional & Technical Svcs.	\$ 35,563	\$ 12,515	\$ 11,378	\$ 18,736	\$ 15,815				\$ 94,007
Purchased Professional & Educational Svc.								\$ 59	59
Tuition								340,327	340,327
Textbooks								11,820	11,820
General Supplies	-	-	-	-	-	\$ 6,279	-	12,833	19,112
Total Instruction	<u>35,563</u>	<u>12,515</u>	<u>11,378</u>	<u>18,736</u>	<u>15,815</u>	<u>6,279</u>	<u>-</u>	<u>365,039</u>	<u>465,325</u>
Support Services									
Salaries								9,836	9,836
Purchased Professional Educational Svcs.								31,584	31,584
Purchase Professional & Technical Svcs								24,240	24,240
Purchased Other Professional Svcs.								21,080	21,080
Travel								17,813	17,813
General Supplies	-	-	-	-	-	-	\$ 234	692	926
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234</u>	<u>105,245</u>	<u>105,479</u>
Total Expenditures	<u>\$ 35,563</u>	<u>\$ 12,515</u>	<u>\$ 11,378</u>	<u>\$ 18,736</u>	<u>\$ 15,815</u>	<u>\$ 6,279</u>	<u>\$ 234</u>	<u>\$ 470,284</u>	<u>\$ 570,804</u>

Continued

WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Non-Public Nursing Services	Non-Public Textbooks	IDEA Part B- Basic Reg. Prog.	IDEA Part B-Basic Preschool	NCLB Title I	NCLB Title II	NCLB Title III	NCLB Title III Immigrant	Total Exhibit E-2A
REVENUES									
Intergovernmental									
State	\$ 21,080	\$ 11,820							\$ 32,900
Federal	-	-	\$ 350,666	\$ 13,901	\$ 16,112	\$ 40,713	\$ 9,059	\$ 6,933	437,384
Total Revenues	\$ 21,080	\$ 11,820	\$ 350,666	\$ 13,901	\$ 16,112	\$ 40,713	\$ 9,059	\$ 6,933	\$ 470,284
EXPENDITURES									
Instruction									
Purchased Professional & Educational Svc.							\$ 59		\$ 59
Tuition			\$ 340,327						340,327
Textbooks		\$ 11,820							11,820
General Supplies	-	-	-	-	-	-	9,000	\$ 3,833	12,833
Total Instruction	-	11,820	340,327	-	-	-	9,059	3,833	365,039
Support Services									
Salaries						\$ 6,736		3,100	9,836
Purchased Professional Educational Svcs.					\$ 15,420	16,164			31,584
Purchased Professional & Technical Svcs.			\$ 10,339	\$ 13,901					24,240
Purchased Other Professional Services	\$ 21,080								21,080
Travel						17,813			17,813
General Supplies	-	-	-	-	692	-	-	-	692
Total Support Services	21,080	-	10,339	13,901	16,112	40,713	-	3,100	105,245
Total Expenditures	\$ 21,080	\$ 11,820	\$ 350,666	\$ 13,901	\$ 16,112	\$ 40,713	\$ 9,059	\$ 6,933	\$ 470,284

**WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources	
Interest Earned on Investments	<u>\$ 161</u>
Total Revenues and Other Financing Sources	<u>161</u>
Expenditures and Other Financing Uses	
Transfer Out to General Fund	<u>161</u>
Total Expenditures and Other Financing Uses	<u>161</u>
Excess (Deficiency) or Revenues over (under) Expenditures	-
Fund Balance- Beginning	<u>-</u>
Fund Balance- Ending	<u><u>\$ -</u></u>

PROPRIETARY FUNDS

EXHIBIT G-1

**WALDWICK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**WALDWICK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET POSITION
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds 2015</u>
ASSETS			
Cash and Cash Equivalents	\$ 46,368	\$ 19,951	\$ 66,319
Total Assets	<u>\$ 46,368</u>	<u>\$ 19,951</u>	<u>\$ 66,319</u>
LIABILITIES			
Due to Other Funds		\$ 580	\$ 580
Payroll Deductions and Withholdings		14,749	14,749
Accrued Salaries and Wages			-
Flex Spending Benefits		4,622	4,622
Due to Student Groups	<u>\$ 46,368</u>	<u>-</u>	<u>46,368</u>
Total Liabilities	<u>\$ 46,368</u>	<u>\$ 19,951</u>	<u>\$ 66,319</u>

**COMBINING SCHEDULE OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WALDWICK BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Middle School Activities	\$ 24,126	\$ 48,289	\$ 46,090	\$ 26,325
High School Activities	19,789	81,237	80,983	20,043
Athletic Account	-	57,075	57,075	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 43,915</u>	<u>\$ 186,601</u>	<u>\$ 184,148</u>	<u>\$ 46,368</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Payroll Deductions and Withholdings	\$ 44,622	\$ 8,450,376	\$ 8,480,249	\$ 14,749
Accrued Salaries and Wages	473	10,335,239	10,335,712	-
Flex Spending Benefits	2,914	7,031	5,323	4,622
Due to Other Funds	610	663	693	580
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 48,619</u>	<u>\$ 18,793,309</u>	<u>\$ 18,821,977</u>	<u>\$ 19,951</u>

LONG-TERM DEBT

**WALDWICK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
Refunding School Bonds	12/6/2011	5,170,000	9/15/2015	515,000	4.00 %			
			9/15/2016	540,000	4.00			
			9/15/2017	560,000	4.00			
			9/15/2018	585,000	4.00			
			9/15/2019	610,000	4.00			
			9/15/2020	620,000	4.00			
			9/15/2021	625,000	4.00			
			9/15/2022	625,000	4.00			
						\$ 5,170,000	490,000	\$ 4,680,000
						\$ 5,170,000	\$ 490,000	\$ 4,680,000

Paid By Budget Appropriation \$ 490,000

WALDWICK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
83 REVENUES					
Local Sources					
Local Tax Levy	\$ 687,000	-	\$ 687,000	\$ 687,000	-
Total Revenues	<u>687,000</u>	<u>-</u>	<u>687,000</u>	<u>687,000</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	490,000		490,000	490,000	
Interest	<u>197,000</u>	<u>-</u>	<u>197,000</u>	<u>197,000</u>	<u>-</u>
Total Expenditures	<u>687,000</u>	<u>-</u>	<u>687,000</u>	<u>687,000</u>	<u>-</u>
Excess /(Deficit) of Revenue and Other Expenditures	-	-	-	-	
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Waldwick Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

WALDWICK BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015
Governmental Activities									(Restated)	
Net Investment in Capital Assets	\$ 5,212,221	\$ 5,858,795	\$ 6,639,746	\$ 7,913,210	\$ 8,979,074	\$ 9,554,683	\$ 10,331,874	\$ 12,009,130	\$ 12,509,265	\$ 13,234,026
Restricted	207,337	1	1	296,460	451,172	820,776	1,146,499	511,219	615,160	1,140,160
Unrestricted	1,008,554	1,865,043	1,818,625	796,338	1,346,300	1,345,873	1,848,115	1,622,051	(5,870,944)	(6,146,959)
Total Governmental Activities Net Position	\$ 6,428,112	\$ 7,723,839	\$ 8,458,372	\$ 9,006,008	\$10,776,546	\$ 11,721,332	\$ 13,326,488	\$ 14,142,400	\$ 7,253,481	\$ 8,227,227
Business-Type Activities										
Investment in Capital Assets	\$ 8,180	\$ 6,268	\$ 4,677	\$ 4,086	\$ 3,495	\$ 2,904	\$ 11,957	\$ 10,562	\$ 9,167	\$ 13,873
Restricted										
Unrestricted	6,120	9,367	6,375	14,373	21,076	28,135	30,087	40,101	56,424	62,032
Total Business-Type Activities Net Position	\$ 14,300	\$ 15,635	\$ 11,052	\$ 18,459	\$ 24,571	\$ 31,039	\$ 42,044	\$ 50,663	\$ 65,591	\$ 75,905
District-Wide										
Investment in Capital Assets	\$ 5,220,401	\$ 5,865,063	\$ 6,644,423	\$ 7,917,296	\$ 8,982,569	\$ 9,557,587	\$ 10,343,831	\$ 12,019,692	\$ 12,518,432	\$ 13,247,899
Restricted	207,337	1	1	296,460	451,172	820,776	1,146,499	511,219	615,160	1,140,160
Unrestricted	1,014,674	1,874,410	1,825,000	810,711	1,367,376	1,374,008	1,878,202	1,662,152	(5,814,520)	(6,084,927)
Total District Net Position	\$ 6,442,412	\$ 7,739,474	\$ 8,469,424	\$ 9,024,467	\$10,801,117	\$ 11,752,371	\$ 13,368,532	\$ 14,193,063	\$ 7,319,072	\$ 8,303,132

Source: District's Financial Records

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

WALDWICK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 9,327,843	\$ 10,241,930	\$ 10,649,665	\$ 10,649,665	\$ 10,462,871	\$ 10,956,348	\$ 11,187,989	\$ 11,801,806	\$ 12,138,523	\$ 14,109,146
Special education	4,067,361	4,728,946	5,311,435	5,311,435	5,359,297	5,164,887	5,422,297	6,138,484	6,420,299	7,175,056
Other instruction	726,589	864,129	911,291	911,291	833,081	870,210	931,835	1,218,791	1,089,432	1,317,451
School Sponsored Activities and Athletics	621,567	639,115	784,616	784,616	749,276	764,823	803,976	853,495	778,886	897,075
Support Services:										
Student & instruction related services	2,024,677	2,253,514	2,549,129	2,549,129	2,777,747	2,778,321	2,801,208	2,805,182	2,876,680	3,313,052
Health Services	293,608	311,730	321,422	321,422	329,014	340,639	354,429	384,669	391,801	465,745
Educational Media/School Library	161,600	250,368	277,539	277,539	286,308	201,284	223,583	231,339	238,956	272,378
General administration	708,311	676,777	689,743	689,743	1,007,466	715,377	655,836	749,144	756,375	632,699
School Administrative services	1,026,997	1,242,768	1,351,888	1,351,888	1,309,276	1,347,638	1,405,377	1,654,444	1,610,925	1,971,077
Central Services	632,759	666,680	711,020	711,020	825,522	757,003	798,542	775,651	777,340	883,974
Plant operations and maintenance	2,070,039	2,143,841	2,182,993	2,182,993	2,168,813	2,263,510	2,185,014	2,135,670	2,140,290	2,198,405
Pupil transportation	652,416	703,085	760,898	760,898	554,171	561,135	662,474	649,994	697,149	600,407
Other support services										
Interest on long-term debt	357,583	332,174	325,213	325,213	295,034	312,549	328,639	180,582	228,193	208,039
Total governmental activities expenses	<u>22,671,350</u>	<u>25,055,057</u>	<u>26,826,852</u>	<u>26,826,852</u>	<u>26,957,876</u>	<u>27,033,724</u>	<u>27,761,199</u>	<u>29,579,251</u>	<u>30,144,849</u>	<u>34,044,504</u>
Business-type activities:										
Food service	328,165	328,545	304,198	304,198	253,883	235,271	214,037	211,302	232,605	232,419
Total business-type activities expense	<u>328,165</u>	<u>328,545</u>	<u>304,198</u>	<u>304,198</u>	<u>253,883</u>	<u>235,271</u>	<u>214,037</u>	<u>211,302</u>	<u>232,605</u>	<u>232,419</u>
Total district expenses	<u>\$ 22,999,515</u>	<u>\$ 25,383,602</u>	<u>\$ 27,131,050</u>	<u>\$ 27,131,050</u>	<u>\$ 27,211,759</u>	<u>\$ 27,268,995</u>	<u>\$ 27,975,236</u>	<u>\$ 29,790,553</u>	<u>\$ 30,377,454</u>	<u>\$ 34,276,923</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 24,543	\$ 17,000	\$ 52,523	\$ 52,523	\$ 60,068	\$ 35,720		\$ 16,500	\$ 34,656	\$ 64,323
Operating grants and contributions	3,665,671	4,386,922	4,489,977	4,489,977	4,081,617	3,074,029	3,885,402	4,495,468	4,043,880	7,244,511
Capital grants and contributions	302,488	-	-	-	464,700	3,167	53,644	4,675	83,225	49,817
Total governmental activities program revenues	<u>3,992,702</u>	<u>4,403,922</u>	<u>4,542,500</u>	<u>4,542,500</u>	<u>4,606,385</u>	<u>3,112,916</u>	<u>3,939,046</u>	<u>4,516,643</u>	<u>4,161,761</u>	<u>7,358,651</u>
Business-type activities:										
Charges for services										
Food service	\$ 321,189	\$ 327,330	\$ 296,475	\$ 296,475	\$ 258,302	\$ 240,223	\$ 223,507	\$ 218,593	\$ 246,244	\$ 242,463
Operating grants and contributions	2,373	2,550	3,140	3,140	1,693	1,516	1,535	1,328	985	-
Total business type activities program revenues	<u>323,562</u>	<u>329,880</u>	<u>299,615</u>	<u>299,615</u>	<u>259,995</u>	<u>241,739</u>	<u>225,042</u>	<u>219,921</u>	<u>247,229</u>	<u>242,463</u>
Total district program revenues	<u>\$ 4,316,264</u>	<u>\$ 4,733,802</u>	<u>\$ 4,842,115</u>	<u>\$ 4,842,115</u>	<u>\$ 4,866,380</u>	<u>\$ 3,354,655</u>	<u>\$ 4,164,088</u>	<u>\$ 4,736,564</u>	<u>\$ 4,408,990</u>	<u>\$ 7,601,114</u>
Net (Expense)/Revenue										
Governmental activities	\$ (18,678,648)	\$ (20,651,135)	\$ (22,284,352)	\$ (22,284,352)	\$ (22,351,491)	\$ (23,920,808)	\$ (23,822,153)	\$ (25,062,608)	\$ (25,983,088)	\$ (26,685,853)
Business-type activities	(4,603)	1,335	(4,583)	(4,583)	6,112	6,468	11,005	8,619	14,624	10,044
Total district-wide net expense	<u>\$ (18,683,251)</u>	<u>\$ (20,649,800)</u>	<u>\$ (22,288,935)</u>	<u>\$ (22,288,935)</u>	<u>\$ (22,345,379)</u>	<u>\$ (23,914,340)</u>	<u>\$ (23,811,148)</u>	<u>\$ (25,053,989)</u>	<u>\$ (25,968,464)</u>	<u>\$ (26,675,809)</u>

WALDWICK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011				
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied	\$ 19,223,266	\$ 21,471,456	\$ 21,873,517	\$ 21,873,517	\$ 23,225,756	\$ 24,134,786	\$ 24,617,482	\$ 25,109,832	\$ 25,642,924	\$ 26,771,760
Taxes Levied for Debt Service			678,752	678,752	685,909	686,002	690,440	637,814	665,947	687,000
Unrestricted state aid	213,730	210,700	250,577	250,577	119,362	5,538		16,341	6,051	37,173
Miscellaneous income	196,690	258,821	216,039	216,039	91,002	127,496	123,866	114,533	110,104	163,666
Donation of Capital Asset		5,885								
Loss on Disposal of Assets							(4,479)			
Total governmental activities	19,633,686	21,946,862	23,018,885	23,018,885	24,122,029	24,953,822	25,427,309	25,878,520	26,425,026	27,659,599
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	270
Total business-type activities	-	-	-	-	-	-	-	-	-	270
Total district-wide	\$ 19,633,686	\$ 21,946,862	\$ 23,018,885	\$ 23,018,885	\$ 24,122,029	\$ 24,953,822	\$ 25,427,309	\$ 25,878,520	\$ 26,425,026	\$ 27,659,869
Change in Net Position										
Governmental activities	\$ 955,038	\$ 1,295,727	\$ 734,533	\$ 734,533	\$ 1,770,538	\$ 1,033,014	\$ 1,605,156	\$ 815,912	\$ 441,938	\$ 973,746
Business-type activities	(4,603)	1,335	(4,583)	(4,583)	6,112	6,468	11,005	8,619	14,624	10,314
Total district	\$ 950,435	\$ 1,297,062	\$ 729,950	\$ 729,950	\$ 1,776,650	\$ 1,039,482	\$ 1,616,161	\$ 824,531	\$ 456,562	\$ 984,060

Source: District's Financial Records

WALDWICK BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,125,888	\$ 1,852,331	\$ 1,276,248	\$ 984,341	\$ 1,237,410					
Unreserved	362,594	395,996	502,716	310,447	519,090					
Restricted						\$ 1,739,919	\$ 2,397,640	\$ 2,008,989	\$ 2,072,349	\$ 2,616,070
Committed						113,763				
Assigned						267,098	660,734	269,549	155,407	133,779
Unassigned						241,204	239,407	294,120	283,149	282,092
Total general fund	<u>\$ 1,488,482</u>	<u>\$ 2,248,327</u>	<u>\$ 1,778,964</u>	<u>\$ 1,294,788</u>	<u>\$ 1,756,500</u>	<u>\$ 2,361,984</u>	<u>\$ 3,297,781</u>	<u>\$ 2,572,658</u>	<u>\$ 2,510,905</u>	<u>\$ 3,031,941</u>
All Other Governmental Funds										
Reserved	\$ 584,427	\$ 203,815	\$ 145,001	\$ 1,014,514				\$ 11,218		
Unreserved	370,031	223,498	544,144	(718,055)	\$ 451,171					
Restricted						\$ 220,775	\$ 146,498			
Total All Other Governmental Funds	<u>\$ 954,458</u>	<u>\$ 427,313</u>	<u>\$ 689,145</u>	<u>\$ 296,459</u>	<u>\$ 451,171</u>	<u>\$ 220,775</u>	<u>\$ 146,498</u>	<u>\$ 11,218</u>	<u>\$ -</u>	<u>\$ -</u>

Source: District's Financial Records

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extend of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

WALDWICK BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 19,223,266	\$ 21,471,456	\$ 22,552,269	\$ 22,905,687	\$ 23,911,665	\$ 24,820,788	\$ 25,307,922	\$ 25,747,646	\$ 26,308,871	\$ 27,458,760
Miscellaneous	221,233	275,821	269,259	270,911	151,070	163,216	126,811	133,990	149,201	228,223
State sources	3,762,716	4,175,452	4,321,715	3,137,506	3,904,630	2,587,418	3,434,551	4,083,158	3,677,026	4,032,040
Federal sources	419,173	422,170	418,142	421,614	761,049	495,316	447,906	425,694	430,698	437,384
Total revenue	23,626,388	26,344,899	27,561,385	26,735,718	28,728,414	28,066,738	29,317,190	30,390,488	30,565,796	32,156,407
Expenditures										
Instruction										
Regular Instruction	9,078,150	10,014,078	10,385,285	10,187,612	10,192,123	10,647,351	10,879,131	11,440,644	11,792,455	12,115,170
Special education instruction	3,999,858	4,656,637	5,224,817	5,128,677	5,257,903	5,065,878	5,314,161	6,011,836	6,296,702	6,455,732
Other instruction	709,641	845,843	890,313	884,119	811,810	848,231	909,021	1,186,415	1,062,104	1,149,281
School sponsored activities and athletics	608,140	626,202	767,046	684,821	728,963	744,182	783,056	829,047	757,850	779,676
Support Services:										
Student & inst. related services	1,975,166	2,207,982	2,493,475	2,580,433	2,725,601	2,708,101	2,728,319	2,719,697	2,793,031	2,864,302
Health Services	285,924	304,402	313,152	307,729	319,298	330,875	344,484	372,862	380,383	400,954
Educational Media/School Library	157,822	245,232	271,222	255,022	278,621	195,871	218,098	224,792	232,415	236,278
General administration	700,600	666,384	678,065	625,697	1,012,714	702,458	642,650	733,752	741,375	1,683,247
School administrative services	1,003,611	1,212,770	1,316,747	1,198,531	1,274,952	1,307,330	1,364,441	1,601,268	1,562,060	565,741
Central services	620,558	654,754	697,763	720,547	808,683	739,993	781,411	750,441	752,934	2,125,194
Plant operations and maintenance	2,033,430	2,108,985	2,144,215	2,109,389	2,127,126	2,218,712	2,140,968	2,084,824	2,092,988	591,339
Pupil transportation	647,997	698,600	756,232	718,724	548,674	556,122	657,008	643,767	691,428	842,724
Other Support Services										
Capital outlay	785,932	1,237,411	1,096,221	1,531,120	1,339,613	907,960	1,035,289	1,943,704	772,379	1,108,705
Principal	333,712	359,039	408,378	370,000	390,000	405,000	425,000	445,000	465,000	490,000
Interest and other charges	350,558	339,407	325,985	310,159	295,909	313,586	752,091	262,842	245,663	227,028
Total expenditures	23,291,099	26,177,726	27,768,916	27,612,580	28,111,990	27,691,650	28,975,128	31,250,891	30,638,767	31,635,371
Excess (Deficiency) of revenues over (under) expenditures	335,289	167,173	(207,531)	(876,862)	616,424	375,088	342,062	(860,403)	(72,971)	521,036
Other Financing sources (uses)										
Premium on Bonds							530,458			
Refunding Bond Proceeds							5,170,000			
Payment to Refunded Bond Escrow Agent							(5,181,000)			
Capital Leases (Non-Budget)		65,527								
Transfers in	490,871	578,344	1,290,240	987,628	928,976	504,962	756,516	1,723,092	666,785	161
Transfers out	(490,871)	(578,344)	(1,290,240)	(987,628)	(928,976)	(504,962)	(756,516)	(1,723,092)	(666,785)	(161)
Total other financing sources (uses)	-	65,527	-	-	-	-	519,458	-	-	-
Net change in fund balances	\$ 335,289	\$ 232,700	\$ (207,531)	\$ (876,862)	\$ 616,424	\$ 375,088	\$ 861,520	\$ (860,403)	\$ (72,971)	\$ 521,036
Debt service as a percentage of noncapital expenditures	3.04%	2.80%	2.75%	2.61%	2.56%	2.68%	4.21%	2.42%	2.38%	2.35%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

**WALDWICK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Transportation Fees</u>	<u>Health Benefits/ Insurance Rebate</u>	<u>Prior Year Tuition Refunds</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>Energy Audit</u>	<u>E-Rate</u>	<u>Facility Rental</u>	<u>Gate Receipts</u>	<u>Misc.</u>	<u>Total</u>
2006	\$ 24,543	\$ 81,693	\$ 13,888		\$ 18,512					\$ 9,809	\$ 35,945	\$ 184,390
2007	17,000	186,683								7,275	36,519	247,477
2008	52,523	165,750								3,799	28,250	250,322
2009	133,202	48,780								3,136	73,165	258,283
2010	60,068	30,688			11,373					3,997	41,438	147,564
2011	35,720	35,719								4,473	82,406	158,318
2012	7,657	15,644			15,886		\$ 20,999			3,591	58,776	122,553
2013	16,500	16,555		\$ 18,393	14,485					3,614	56,719	126,266
2014	34,656	14,268		8,757		\$ 9,642				4,647	75,370	147,340
2015	64,324	10,220		3,393	9,097			\$ 16,137	\$ 43,985	5,307	75,365	227,828

Source: District records (GAAP Basis)

**WALDWICK BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 18,657,600	\$ 1,376,003,400	N/A	N/A	\$ 112,790,200	\$ 29,872,200	N/A	\$ 1,537,323,400	\$ 732,807	\$ 1,538,056,207	\$ 1,653,646,067	\$ 1.320
2007	17,090,900	1,389,511,900	N/A	N/A	112,990,300	29,872,200	N/A	1,549,465,300	1,067,676	1,550,532,976	1,671,336,331	1.420
2008	15,491,500	1,397,629,300	N/A	N/A	118,400,700	29,589,600	N/A	1,561,111,100	1,153,803	1,562,264,903	1,716,112,560	1.460
2009	16,308,700	1,400,421,800	N/A	N/A	125,097,600	29,589,600	N/A	1,571,417,700	1,354,307	1,572,772,007	1,791,321,238	1.489
2010	16,310,500	1,384,119,500	N/A	N/A	126,610,400	29,589,600	N/A	1,556,630,000	1,578,554	1,558,098,687	1,679,032,604	1.564
2011	17,652,000	1,385,932,300	N/A	N/A	125,571,700	28,810,500	N/A	1,557,966,500	1,190,616	1,559,157,116	1,626,620,445	1.608
2012	17,061,700	1,385,802,700	N/A	N/A	125,243,200	28,810,500	N/A	1,556,918,100	1,234,107	1,558,152,207	1,568,251,207	1.639
2013	15,742,200	1,387,823,400	N/A	N/A	124,881,800	28,570,600	N/A	1,557,018,000	100,000	1,557,118,000	1,501,747,889	1.673
2014	15,172,800	1,388,543,300	N/A	N/A	125,681,800	28,570,600	N/A	1,557,968,500	100,000	1,558,068,500	1,502,749,915	1.726
2015								-		1,561,824,600	1,539,999,306	1.776

Source: County Abstract of Ratables

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^a Tax rates are per \$100

Note: The Borough underwent a revaluation of property effective January 1, 2005.

**WALDWICK BOARD OF EDUCATION
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (2)</u>
2006	\$ 1.960	\$ 1.320	\$ 0.460	\$ 0.180
2007	2.090	1.420	0.470	0.200
2008	2.158	1.455	0.499	0.204
2009	2.228	1.489	0.519	0.220
2010	2.325	1.564	0.549	0.212
2011	2.381	1.608	0.556	0.217
2012	2.420	1.639	0.560	0.221
2013	2.454	1.673	0.559	0.222
2014	2.510	1.726	0.558	0.226
2015	2.572	1.776	0.559	0.237

(1) Includes Open Space Tax and Library

(2) Includes County Open Space Tax

Note: The Borough underwent a revaluation of property effective January 1, 2005.

Source: Tax Duplicate, Borough of Waldwick

**WALDWICK BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
HFZ Waldwick, LLC	\$ 10,900,000	0.70%
LKD Realty Inc.	7,367,800	0.47%
Public Service Electric & Gas	5,214,700	0.33%
Hamilton Properties	5,177,300	0.33%
Franklin Assets Inc	4,102,100	0.26%
Med Tech Partners LLC	3,766,600	0.24%
Waldwick North LLC	3,600,000	0.23%
Waldwick Shopping Center	3,473,400	0.22%
Wyckoff Ave Assoc. LLC	3,341,700	0.21%
Lesterick Corp. Inc.	3,225,000	0.21%
	\$ 50,168,600	3.22%

	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
LDK Realty Inc.	\$ 7,367,800	0.48%
Public Service Electric & Gas	5,214,700	0.34%
Hamilton Properties	5,177,300	0.33%
Waldwick Medical	4,302,100	0.28%
Waldwick North LLC	3,882,600	0.25%
Med Tech Partners LLC	3,766,600	0.24%
Waldwick Shopping Center	3,657,100	0.23%
Lesterick Corp. Inc.	3,503,100	0.22%
Dipippo, Nancu & Linda	3,373,500	0.22%
Waldwick Realty Investments	3,341,700	0.21%
	\$ 43,586,500	2.81%

Source: Municipal Tax Assessor

**WALDWICK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 19,223,266	\$ 19,223,266	100.00%	-
2007	21,471,456	21,471,456	100.00%	-
2008	22,552,269	22,552,269	100.00%	-
2009	22,905,687	22,905,687	100.00%	-
2010	23,911,665	23,911,665	100.00%	-
2011	24,820,788	24,820,788	100.00%	-
2012	25,307,922	25,307,922	100.00%	-
2013	25,747,646	25,747,646	100.00%	-
2014	26,308,871	26,308,871	100.00%	-
2015	27,458,760	27,458,760	100.00%	-

**WALDWICK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2006	\$ 8,376,000	\$ 6,890	\$ 8,382,890	9,492	\$ 883
2007	8,036,000	53,378	8,089,378	9,420	859
2008	7,681,000	-	7,681,000	9,408	816
2009	7,311,000	-	7,311,000	9,481	771
2010	6,921,000	-	6,921,000	9,586	722
2011	6,516,000	-	6,516,000	9,636	676
2012	6,080,000	-	6,080,000	9,689	628
2013	5,635,000	-	5,635,000	9,857	572
2014	5,170,000	-	5,170,000	9,947	520
2015	4,680,000	-	4,680,000	9,947	470

Source: District records

WALDWICK BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2006	\$ 8,376,000	-	\$ 8,376,000	0.56%	\$ 882
2007	8,036,000	-	8,036,000	0.52%	853
2008	7,681,000	-	7,681,000	0.49%	816
2009	7,311,000	-	7,311,000	0.46%	771
2010	6,921,000	-	6,921,000	0.44%	722
2011	6,516,000	-	6,516,000	0.42%	676
2012	6,080,000	-	6,080,000	0.39%	628
2013	5,635,000	-	5,635,000	0.36%	572
2014	5,170,000	-	5,170,000	0.33%	520
2015	4,680,000	-	4,680,000	0.30%	470

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WALDWICK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

	<u>Total Debt</u>
Debt:	
School District	\$ 4,680,000
Borough of Waldwick	<u>10,695,886</u>
 Total Direct Debt	 15,375,886
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	8,642,582
Northwest Bergen Regional Sewerage Authority (B)	<u>2,089,305</u>
	 <u>10,731,887</u>
 Total Direct and Overlapping Debt	 <u>\$ 26,107,773</u>

(A) The debt for this entity was apportioned to the Borough of Waldwick by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

(a) Borough of Waldwick 2014 Annual Debt Statement

**WALDWICK BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
	2014 \$ 1,532,830,087
	2013 1,498,285,219
	2012 1,497,900,808
	<u>\$ 4,529,016,114</u>
Average equalized valuation of taxable property	\$ 1,509,672,038
Debt limit (4 % of average equalization value)	60,386,882 ^a
Total Net Debt Applicable to Limit	<u>4,680,000</u>
Legal debt margin	<u>\$ 55,706,882</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 51,776,232	\$ 58,806,819	\$ 64,528,576	\$ 68,324,248	\$ 68,805,739	\$ 67,769,723	\$ 64,975,524	\$ 62,427,934	\$ 60,805,459	\$ 6,038,682
Total net debt applicable to limit	<u>8,376,000</u>	<u>8,036,000</u>	<u>7,681,000</u>	<u>7,311,000</u>	<u>6,921,000</u>	<u>6,516,000</u>	<u>6,080,000</u>	<u>5,635,000</u>	<u>5,170,000</u>	<u>4,680,000</u>
Legal debt margin	<u>\$ 43,400,232</u>	<u>\$ 50,770,819</u>	<u>\$ 56,847,576</u>	<u>\$ 61,013,248</u>	<u>\$ 61,884,739</u>	<u>\$ 61,253,723</u>	<u>\$ 58,895,524</u>	<u>\$ 56,792,934</u>	<u>\$ 55,635,459</u>	<u>\$ 1,358,682</u>
Total net debt applicable to the limit as a percentage of debt limit	16.18%	13.67%	11.90%	10.70%	10.06%	9.61%	9.36%	9.03%	8.50%	77.50%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**WALDWICK BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2005	1.9%	\$ 55,322	9,492
2006	2.0%	57,745	9,420
2007	1.8%	63,166	9,408
2008	2.3%	67,606	9,481
2009	4.3%	67,375	9,586
2010	4.4%	63,862	9,636
2011	4.3%	63,950	9,689
2012	4.4%	67,420	9,857
2013	7.9%	69,919	9,839
2014	4.5%	69,495	9,947

(1) County of Bergen

Source: United States Bureau of Census
U.S. Dept. of Commerce

**WALDWICK BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

NOT AVAILABLE

WALDWICK BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	98	104	108	114	112	104	111	111	112	117
Special education	23	23	22	20	20	31	34	35	35	36
Other special education	21	21	25	25	25	25	30	34	36	32
Support Services:										
Student & Instruction related services	20	24	28	27	29	29	31	34	34	33
General administration	4	3	3	3	3	3	3	3	3	3
School administrative services	9	10	10	10	10	10	11	11	11	12
Central services	5	5	5	5	5	5	5	7	7	8
Plant operations and maintenance	22	20	20	20	20	20	20	19	19	19
Pupil transportation	2	2	2	3	2	2	2	2	2	3
Total	<u>204</u>	<u>212</u>	<u>223</u>	<u>225</u>	<u>226</u>	<u>229</u>	<u>247</u>	<u>256</u>	<u>259</u>	<u>263</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

WALDWICK BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	1,595	\$ 21,844,630	\$ 13,696	2.20%	144	1:15	1:11	1:09	1,573	1,496	3.69%	95.10%
2007	1,608	24,241,869	15,076	10.08%	148	1:14	1:12	1:12	1,579	1,513	0.38%	95.82%
2008	1,610	25,938,332	16,111	6.87%	134	1:12	1:09	1:09	1,582	1,529	0.19%	96.65%
2009	1,606	25,401,301	15,817	-1.83%	136	1:12	1:09	1:10	1,582	1,517	0.00%	95.89%
2010	1,590	26,086,468	16,407	3.73%	138	1:12	1:10	1:10	1,582	1,516	0.00%	95.83%
2011	1,605	26,065,104	16,240	-1.02%	139	1:12	1:10	1:10	1,593	1,521	0.70%	95.48%
2012	1,611	26,762,748	16,613	2.29%	145	1:12	1:10	1:10	1,593	1,527	0.00%	95.86%
2013	1,631	28,599,345	17,535	5.55%	146	1:13	1:14	1:12	1,618	1,542	1.57%	95.30%
2014	1,616	29,155,725	18,042	2.89%	147	1:13	1:14	1:12	1,596	1,526	-1.36%	95.61%
2015	1,605	29,809,638	18,573	2.94%	153	1:11	1:13	1:11	1,577	1,507	-1.19%	95.56%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**WALDWICK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
<u>Elementary</u>										
Crescent										
Square Feet	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Capacity (students)										
Enrollment	353	367	378	354	360	346	345	356	326	330
Traphagen										
Square Feet	33,300	33,300	33,300	33,300	33,300	33,300	33,300	33,300	36,400	36,400
Capacity (students)										
Enrollment	416	401	392	397	408	417	413	430	437	443
<u>Middle School</u>										
Square Feet										
Capacity (students)										
Enrollment	387	373	373	372	369	377	379	366	366	345
<u>High School</u>										
Square Feet	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889
Capacity (students)										
Enrollment	418	443	439	459	438	446	453	456	459	465

Number of Schools at June 30, 2015
 Elementary = 2
 Middle School = 1
 Senior High School = 1

Source: District Records

Note:
 GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities	Project #(s)										
Crescent E.S.	N/A	\$ 27,463	\$ 28,818	\$ 30,909	\$ 34,508	\$ 35,787	\$ 39,626	\$ 39,080	\$ 40,277	\$ 35,754	\$ 38,664
Traphagen E.S.	N/A	26,508	27,817	29,834	33,307	34,542	38,248	37,720	38,876	37,723	40,793
Waldwick Jr/Sr High School	N/A	<u>125,687</u>	<u>131,890</u>	<u>141,455</u>	<u>157,924</u>	<u>163,778</u>	<u>181,349</u>	<u>178,848</u>	<u>184,327</u>	<u>163,629</u>	<u>176,945</u>
Grand Total		<u>\$ 179,658</u>	<u>\$ 188,525</u>	<u>\$ 202,198</u>	<u>\$ 225,739</u>	<u>\$ 234,107</u>	<u>\$ 259,223</u>	<u>\$ 255,648</u>	<u>\$ 263,480</u>	<u>\$ 237,106</u>	<u>\$ 256,402</u>

Source: School District's Financial Statements

**WALDWICK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Selective Insurance		
Package Policy		
Property- Blanket Building and Contents*	\$ 58,214,603	\$ 5,000
Earthquake/Flood (Outside Zones A&V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Automobile*	1,000,000	1,000
Comprehensive General Liability*	1,000,000	
Crime	100,000 per employee 400,000 Excess	5,000
Forgery & Alterations	50,000	1,000
Boiler and Machinery*	Included in Property Coverage	1,000
Environmental	2,000,000 per occurrence 20,000,000 aggregate	15,000
Educator's Legal Liability	1,000,000	25,000
Employment Practices	1,000,000	35,000
Commercial Umbrella*	9,000,000	10,000
Excess Umbrella	50,000,000 group aggregate	
Cyber Liability	1,000,000 per occurrence 4,000,000 group aggregate (subject to sublimits)	15,000

Source: School District's records

*Pool coverage for the Northeast Bergen County School Board Insurance Group.

SINGLE AUDIT SECTION



CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Waldwick Board of Education
Waldwick, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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 Waldwick Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Waldwick Board of Education's basic financial statements and have issued our report thereon dated November 28, 2015.

Internal Control Over Financial Reporting

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

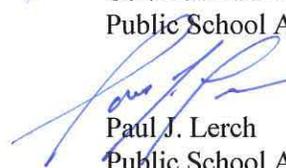
As part of obtaining reasonable assurance about whether the Waldwick Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Waldwick Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waldwick Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
 Certified Public Accountants
 Public School Accountants



Paul J. Lerch
 Public School Accountant
 PSA Number CS0118

Fair Lawn, New Jersey
 November 28, 2015



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Waldwick Board of Education
Waldwick, New Jersey

Report on Compliance for Each Major State Program

We have audited the Waldwick Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Waldwick Board of Education's major state programs for the fiscal year ended June 30, 2015. The Waldwick Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major State Program

In our opinion, the Waldwick Board of Education 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 fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Waldwick Board of Education 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 Waldwick Board of Education'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 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 Waldwick Board of Education's internal control over compliance.

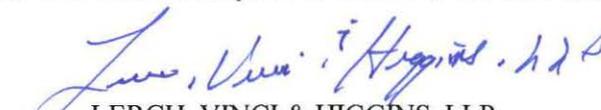
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal or 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.

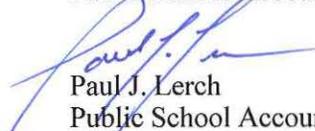
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Waldwick Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 28, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS0118

Fair Lawn, New Jersey
November 28, 2015

**WALDWICK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustment	Balance, June 30, 2015			GAAP Receivable
										(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education													
Passed-through State Department													
of Agriculture													
Special Milk Program	10.556	7/1/13-6/30/14	\$ 985	\$ (64)	-	\$ 64	-	-	-	-	-	-	-
Total U.S. Department of Agriculture				(64)	-	64	-	-	-	-	-	-	-
U.S. Department of Education													
Passed-through State Department													
of Education													
I.D.E.A. Part B, Basic	84.027	7/1/14-6/30/15	358,475			336,145	\$ 350,666			\$ (22,330)	\$ 7,809		\$ (22,330)
I.D.E.A. Part B, Basic, Carryover	84.027	7/1/13-6/30/14	348,202	(58,546)		58,546		\$ 4,575			\$ 4,575		-
I.D.E.A. Part B, Preschool	84.173	7/1/14-6/30/15	13,901			13,901	13,901						
NCLB Title I	84.010A	7/1/14-6/30/15	16,112			16,112	16,112						
NCLB Title I, Carryover	84.010A	7/1/13-6/30/14	17,012	(4,039)		4,039							-
NCLB Title II A	84.367A	7/1/14-6/30/15	40,757		\$ 6	40,713	40,713			(44)	50		(44)
NCLB Title II A, Carryover	84.367A	7/1/13-6/30/14	39,950	(8,177)	(6)	8,183							-
NCLB Title II A Carryover	84.367A	9/1/09-8/31/10	45,175	755								755	
NCLB Title III	84.365A	7/1/14-6/30/15	9,203		28	-	9,059			(9,203)	172		(9,203)
NCLB Title III, Carryover	84.365A	7/1/13-6/30/14	11,588	(11,560)	(28)	11,517				(71)			(71)
NCLB Title III, Immigrant	84.365A	7/1/14-6/30/15	6,992			6,933	6,933			(59)	59		(59)
ARRA - I.D.E.A. Part B	84.391	9/1/09-8/31/10	361,145	636	-	-	-	-	-	-	-	636	-
Total U.S. Department of Education				(80,931)	-	496,089	437,384	-	4,575	(31,707)	8,090	5,966	(31,707)
Total				\$ (80,995)	\$ -	\$ 496,153	\$ 437,384	\$ -	\$ 4,575	\$ (31,707)	\$ 8,090	\$ 5,966	\$ (31,707)

Note: This schedule was not subject to the audit requirement of OMB A-133.

WALDWICK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Refund of Prior Year's		Balance, June 30, 2015			GAAP Receivable	Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue	Due to Grantor			Balances	Adjustment	(Accounts Receivable)	Unearned Revenue	Due to Grantor		
State Department of Education															
General Fund															
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 752,149	\$ (10,844)			\$ 10,844								
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	752,149				727,550	\$ 752,149			\$ (24,599)			\$ 752,149	
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	6,011	(118)			118								
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	6,011				5,732	6,011			(279)			6,011	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	24,067	(353)			353								
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	24,067				23,229	24,067			(838)			24,067	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	37,973	(472)			472								
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	37,973				36,855	37,973			(1,118)			37,973	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	16,220				15,661	16,220			(559)			16,220	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	16,220				15,661	16,220			(559)			16,220	
Additional Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1				1	1						1	
Extra Ordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	374,432	(378,340)			378,340								
Extra Ordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	395,140				-	395,140			(395,140)			395,140	
NonPublic Transportation	N/A	7/1/13-6/30/14	5,996	(5,996)			5,996								
NonPublic Transportation	N/A	7/1/14-6/30/15	7,952				-	7,952			(7,952)		\$ (7,952)	7,952	
On-Behalf TPAF Pension and Annuity Aid															
TPAF - Normal Costs	15-495-034-5094-006	7/1/14-6/30/15	621,692				621,692	621,692						621,692	
TPAF-NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	44,728				44,728	44,728						44,728	
Post Retirement Medical Costs	15-495-034-5094-001	7/1/14-6/30/15	1,057,942				1,057,942	1,057,942						1,057,942	
On-Behalf TPAF Social Security Aid	14-495-034-5095-002	7/1/13-6/30/14	925,351	(74,247)			74,247								
On-Behalf TPAF Social Security Aid	15-495-034-5094-003	7/1/14-6/30/15	951,724				904,727	951,724			(46,997)			(46,997)	951,724
Total General Fund				(470,370)	-	-	3,924,148	3,931,819	-	-	(478,041)	-	-	(54,949)	3,931,819
Special Revenue Fund															
New Jersey Nonpublic Aid															
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	11,244			\$ 3			\$ 3						
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	11,857				11,857	11,820					\$ 37	11,820	
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	17,602			37			37						
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	21,531				21,531	21,080					451	21,080	
Technology	15-100-034-5120-373	7/1/14-6/30/15	6,368				6,368	6,279					89	6,279	
Auxiliary Services															
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	117,269			53,926			53,926						
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	96,746				96,746	35,563				61,183		35,563	
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	21,823			8,031			8,031						
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	19,184				19,184	12,515				6,669		12,515	
Handicapped Services															
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	19,114			639			639						
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	24,136				24,136	18,736				5,400		18,736	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	28,123			14,608			14,608						
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	20,321				20,321	15,815				4,506		15,815	
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	14,571			3,400			3,400						
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	13,340				13,340	11,378				1,962		11,378	
Total Special Revenue Fund				-	-	80,644	213,483	133,186	80,644	-	-	-	80,297	-	133,186
Capital Projects Fund															
Educational Facilities Construction and Financing Act - SDA															
Traphagen Roof Replacement	5410-050-14-G11G	N/A	57,793	(57,793)			57,793								
				(57,793)			57,793								
Total				(528,163)	-	80,644	4,195,424	4,065,005	80,644	-	(478,041)	-	80,297	(54,949)	4,065,005
State Financial Assistance Not Subject to Single Audit Determination															
On-Behalf-TPAF Pension and Annuity Aid															
TPAF - Normal Costs	15-495-034-5094-006	7/1/14-6/30/15	621,692				621,692	621,692						621,692	
TPAF-NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	44,728				44,728	44,728						44,728	
Post Retirement Medical Costs	15-495-034-5094-001	7/1/14-6/30/15	1,057,942				1,057,942	1,057,942						1,057,942	
							1,724,362	1,724,362							1,724,362
Total for State Financial Assistance Determination				\$(528,163)	\$ -	\$ 80,644	\$ 2,471,062	\$ 2,340,643	\$ 80,644	\$ -	\$ (478,041)	\$ -	\$ 80,297	\$(54,949)	\$ 2,340,643

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

**WALDWICK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Waldwick Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$32,965 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,898,854	\$ 3,898,854
Special Revenue Fund	\$ 437,384	133,186	570,570
Total Financial Assistance	<u>\$ 437,384</u>	<u>\$ 4,032,040</u>	<u>\$ 4,469,424</u>

**WALDWICK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$951,724 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$666,420 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,057,942 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from 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 amount subject to State single audit and major program determination.

**WALDWICK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section

NOT APPLICABLE

**WALDWICK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? _____ yes X none

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>Extraordinary Aid</u>	<u>100-034-5120-473</u>
<u>Special Education Aid</u>	<u>495-034-5120-089</u>
<u>Equalization Aid</u>	<u>495-034-5120-078</u>
<u>Security Aid</u>	<u>495-034-5120-084</u>
<u>TPAF Social Security</u>	<u>495-034-5094-003</u>
<u>PARCC Readiness Aid</u>	<u>495-034-5120-098</u>
<u>Per Pupil Growth Aid</u>	<u>495-034-5120-097</u>
<u>Additional Adjustment Aid</u>	<u>495-034-5120-085</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

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

**WALDWICK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE.

WALDWICK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

**WALDWICK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**WALDWICK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 15-08, as amended.

STATUS OF PRIOR YEAR FINDINGS

CURRENT YEAR STATE AWARDS

Finding 2014-001

Our audit of the Extraordinary Aid Application revealed the following:

- (6) instances where the incorrect tuition rate was reported on the application.
- (4) students additional costs reported on the application were not in agreement with the supporting documentation.
- Supporting documentation for the costs reported on the application were not maintained with the application.

Current Status

Corrective action has been taken.