

**SCHOOL DISTRICT
OF
WEEHAWKEN**

Weehawken Board of Education
Hudson County, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Comprehensive Annual

Financial Report

of the

Weehawken Board of Education

For the Fiscal Year Ended June 30, 2015

WEEHAWKEN BOARD OF EDUCATION
Fiscal Year Ended June 30, 2015

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WEEHAWKEN BOARD OF EDUCATION
53 Liberty Place
Weehawken, NJ 07086

HWEY-HWEY "VICKY" GUO
Business Administrator/Board Secretary

Telephone 201-422-6125
Fax 201-422-6153

December 16, 2015

Honorable President and
Members of the Board of Education
Weehawken Board of Education
County of Hudson, New Jersey

Dear Board Members and Constituents of Weehawken:

The comprehensive annual financial report of the Weehawken School District (the "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 District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this letter of transmittal, the District's organizational chart, roster of officials and consultants and advisors. The financial section includes under the new Governmental Accounting Standard District Statement No. 34, the Report of Independent Accountants, the Management Discussion and Analysis, the basic financial statements, required supplementary information, the combining and individual fund financial statements, and related notes to the financial statements. 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 and the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and N.J. OMB Circular 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's reports covering compliance with applicable laws, regulations and requirements, and internal control over compliance and financial reporting, as well as a schedule of related findings, are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES: The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The District and all its schools constitute the Board’s reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped youngsters. The District also provides preschool educational services. The District completed the 2014-2015 fiscal year with an enrollment of 1,328 students, which are 19 more students than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	1,328	1.50%
2013-2014	1,309	4.05%
2012-2013	1,258	1.50%
2011-2012	1,239	(0.72%)
2010-2011	1,248	2.80%

2.) ECONOMIC CONDITION AND OUTLOOK: The Township of Weehawken area is experiencing a period of economic stability. Its proximity to employment centers in New York City and northern New Jersey contribute towards maintaining a stable outlook.

3.) MAJOR INITIATIVES: Weehawken High School seniors continued to perform at a consistent rate on the Scholastic Aptitude Test (SAT). 91 percent of our 2015 graduates went on to further education – 46 percent to four-year institutions. The disadvantaged and special needs students are included in the above statistics. There are many programs available to these students and the students are made aware of them. The drop out rate has been below the state average. The 2014-2015 dropout rate was .5% percent based on total enrollment for grades 9-12.

4.) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal controls 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 statement in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5.) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of Township of Weehawken. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements, accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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

7.) DEBT ADMINISTRATION: At June 30, 2015, the District's outstanding debt issues included \$10,485,000 of general obligation bonds, obligations under capital leases of \$169,628 and compensated absences payable of \$265,290.

8.) CASH MANAGEMENT: The investment policy of the District is guided in large part by New Jersey Statutes as detailed in "Notes to the Financial Statements", Note 2. 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.

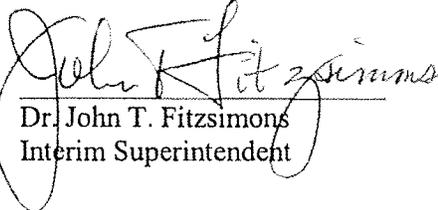
9.) RISK MANAGEMENT: The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

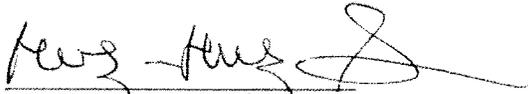
10.) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Garbarini & Co. P.C., CPAs, RMAs, PSAs, was selected by the District. 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 and the Single Audit Act Amendments of 1996, and the related U.S. OMB Circular A-133 and N.J. OMB Circular 04-04. The auditor’s report on the general - purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

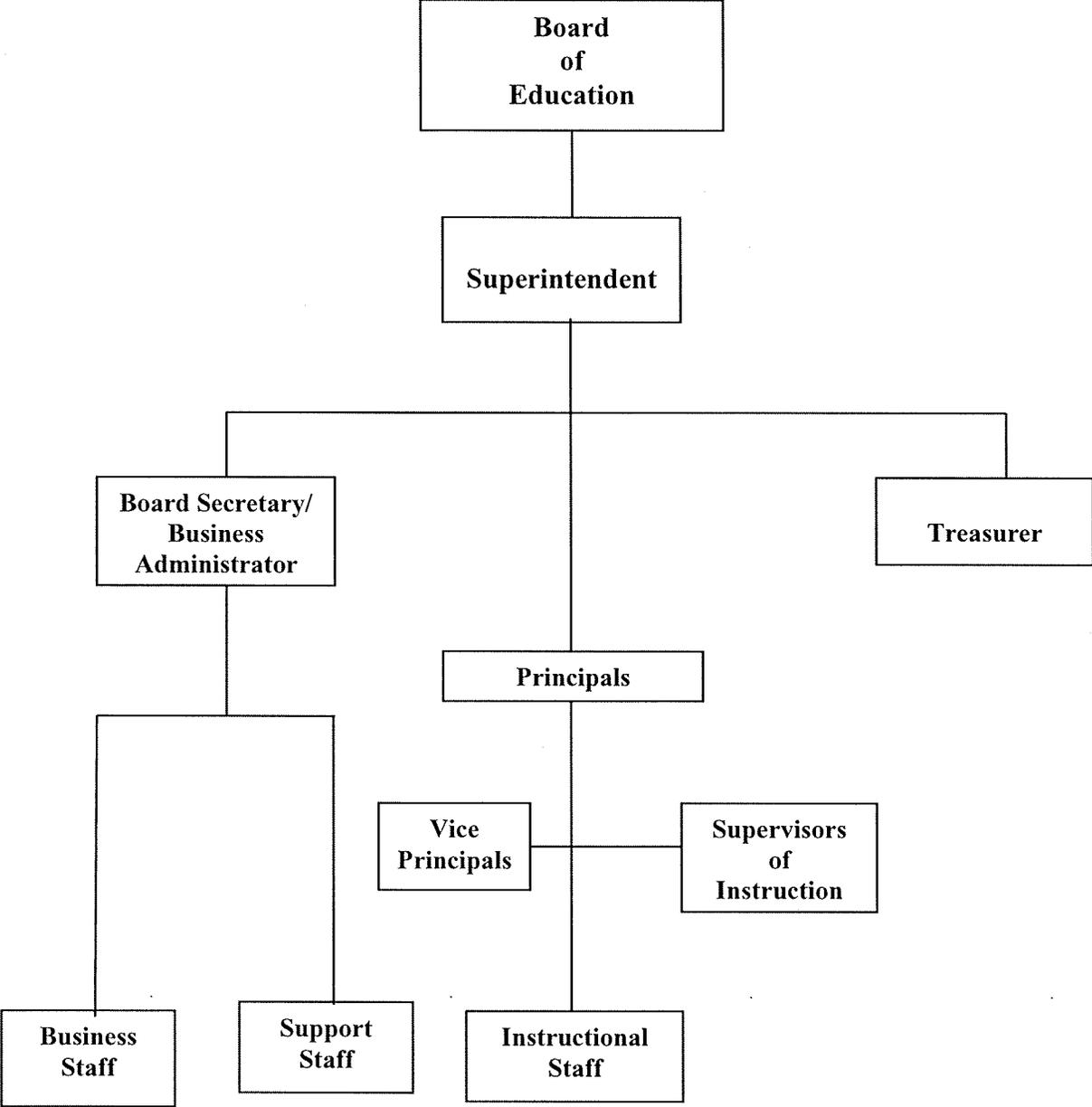
11.) ACKNOWLEDGMENT: We would like to express our appreciation to the members of the Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,


Dr. John T. Fitzsimons
Interim Superintendent


Hwey-Hwey "Vicky" Guo
Board Secretary/
Business Administrator

WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ORGANIZATIONAL CHART
JUNE 30, 2015



**WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Barsa, President	2018
Susan Morales Jennings, Vice President	2016
John Cannata	2017
Mark Denfeld	2017
Gabrielle Jonas	2018
Francis Pizzuta	2016
Julian Brian Mera	2016
Joseph Rutigliano	2018
Noelberto Sanchez	2017

Other Officials

Dr. John T. Fitzsimons	Interim Superintendent
Hwey-Hwey "Vicky" Guo	Board Secretary/Business Administrator
Lisa Toscano	Treasurer of School Moneys
Ryglicki, Jimenez & Gillman, P.C.	Counsel

WEEHAWKEN BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Garbarini & Co. P.C. CPAs
Registered Municipal Accountants
Public School Accountants
285 Division Avenue & Route #17 South
Carlstadt, New Jersey 07072

Attorney

Law Offices of Joseph J. Ryglicki
9019 Old River Road, 3rd Floor
North Bergen, New Jersey 07047

Official Depository

New Jersey Cash Management Fund
Harborside Financial Center
Plaza Two
Jersey City, New Jersey 07311-3977

Capital One Bank
4714 Park Avenue
Weehawken, New Jersey 07086

And

TD Bank
4200 Park Avenue
Weehawken, New Jersey 07086

FINANCIAL SECTION

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements (the "financial statements") as listed in the table of contents.

Management's Responsibility for Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluation 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 District, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in 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 Weehawken 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 and Budgetary Comparison Information on pages 11 through 19 and 62 through 66 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 inquires 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 as listed in the table of contents. The accompanying supplementary (schedules/statements/information) and schedules of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and N.J. OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for the purpose of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, in accordance with the accounting principles generally accepted in the United States of America.

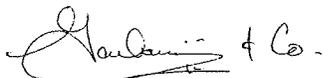
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 District's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 2415



Garbarini & Co. P.C. CPAs

Carlstadt, New Jersey
December 16, 2015

Required Supplementary Information

Part I

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The discussion and analysis of the Weehawken School District's (the "District") financial performance provides an overall review of the Weehawken Board of Education's (the "Board") financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- In total, net position is \$(1,588,185). Net position of governmental activities is \$ (2,340,450). Net position of the business-type activity, which represents food service, and Latchkey Program, are \$752,265. This reflects a decrease in Governmental Activities net assets in the amount of \$ 213,762, compared to fiscal year 2014.
- Governmental Funds Revenues total \$25,617,836 and the Local Tax Levy is \$18,850,611. State Revenue is \$5,531,743 and the Federal Revenue is \$989,658.
- The District has experienced a slight increase in student enrollment. Actual enrollment for the year ended June 30, 2015 was 1,328, which reflects a 1.5% increase from the previous year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. This report is organized to show the reader the District as a financial whole, or an entire operating entity.

The statement of net position and statement of changes in net position provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. For the District, the General Fund is the most significant fund.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Reporting the Weehawken School District as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole look at all financial transactions and asks the question, "How did we do financially during the fiscal year 2015?" The statement of net position and liabilities uses the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in New Jersey, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of changes in net position, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activity - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service enterprise fund and the Latchkey Program are reported as a business activity.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Reporting the Weehawken District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Project Fund.

Governmental Fund

Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of changes in net position and the governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, their statements are essentially the same.

The Weehawken School District as a Whole

The perspective of the statement of net position is of the District as a whole. Table 1 provides a summary of the District's net position for 2015 with comparative totals for 2014 and 2013.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total assets equal \$14,981,687. Total assets for Governmental Activities is \$14,200,325. Total assets for Business Type Activities is \$781,362.

Table 1
Net Position

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
	2015	2015	2015	2014	2013
Assets:					
Current and other assets	\$ 3,683,996	\$ 746,124	\$ 4,430,120	\$ 5,531,660	\$ 4,010,168
Capital assets, net	10,516,329	35,238	10,551,567	11,302,948	12,252,021
Total assets	<u>\$ 14,200,325</u>	<u>\$ 781,362</u>	<u>\$ 14,981,687</u>	<u>\$ 16,834,608</u>	<u>\$ 16,262,189</u>
Deferred outflow of resources					
Pension deferred outflows	843,327		843,327		
Liabilities:					
Current and other liabilities	\$ 7,137,786	\$ 29,097	\$ 7,166,883	\$ 6,618,338	\$ 925,876
Long-term liabilities	9,962,558	-	9,962,558	11,590,693	12,490,106
Total liabilities	<u>\$ 17,100,344</u>	<u>\$ 29,097</u>	<u>\$ 17,129,441</u>	<u>\$ 18,209,031</u>	<u>\$ 13,415,982</u>
Deferred inflows of resources					
Pension deferred inflows	283,758		283,758		
Net position:					
Invested in capital assets -					
Net of related debt	\$ 876,701	\$ 35,238	\$ 911,939	\$ 1,145,588	\$ 1,289,146
Restricted	1,992,899	-	1,992,899	2,163,747	2,416,800
Unrestricted	(5,210,050)	717,027	(4,493,023)	(4,683,758)	(859,739)
Total net position	<u>\$ (2,340,450)</u>	<u>\$ 752,265</u>	<u>\$ (1,588,185)</u>	<u>\$ (1,374,423)</u>	<u>\$ 2,846,207</u>

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Table 2 reflects the change in net position for fiscal year 2015 with comparative data for 2014 and 2013.

	Governmental Activities	Business-type Activities	Total	Total	Total
	2015	2015	2015	2014	2013
Revenues:					
Program revenues:					
Charges for services	\$ 113,038	\$ 318,864	\$ 431,902	\$ 442,524	\$ 390,635
Operating grants and contributions	8,647,033	295,768	8,942,801	6,205,145	6,698,176
Total program revenues	8,760,071	614,632	9,374,703	6,647,669	7,088,811
General revenues:					
Property taxes	18,850,611		18,850,611	18,633,735	18,214,223
Grants and entitlements - budget vs. GAAP	(2,429)		(2,429)	25,566	13,363
Fixed asset retirements/adjustments - net	144,232	5,930	150,162	95,929	46,582
Adjustments: capital leases	(12,268)		(12,268)	(22,454)	30,874
Adjustments: bond refinance proceeds			-	98,000	
Miscellaneous	132,774		132,774	271,414	718,533
Total general revenues	19,112,920	5,930	19,118,850	19,102,190	19,023,575
TOTAL REVENUES	27,872,991	620,562	28,493,553	25,749,859	26,112,386
Functional/program expenses:					
Instruction	14,935,950	-	14,935,950	12,953,714	12,850,398
Support services:		-			
Pupil and instructional staff	6,092,965	-	6,092,965	5,572,121	5,401,247
Bd. of ed., admin. and fiscal	2,829,395		2,829,395	2,624,880	2,869,623
Operation and maintenance of plant	2,253,858		2,253,858	2,264,706	2,227,973
Pupil transportation	1,362,554		1,362,554	1,331,296	1,280,624
Unallocated depreciation	89,734		89,734	99,982	96,733
Interest on long-term debt	459,744		459,744	417,270	515,755
Capital outlay - not capitalized	30,709		30,709	36,309	30,708
Charter Schools	118,305		118,305	101,212	132,360
Food service		417,006	417,006	405,194	388,929
Latchkey program		117,107	117,107	94,263	81,268
TOTAL EXPENSES	28,173,214	534,113	28,707,327	25,900,947	25,875,618
Excess /(deficiency) before special items and transfers	(300,223)	86,449	(213,774)	(151,088)	236,768
Special items:					
Prior Period Adjustment				(4,077,914)	
Transfers	12	-	12	8,372	19
Increase/(decrease) in net position	(300,211)	86,449	(213,762)	(4,220,630)	236,787
Net position - beginning of the year	(2,040,239)	665,816	(1,374,423)	2,846,207	2,609,420
Net position - end of the year	\$ (2,340,450)	\$ 752,265	\$ (1,588,185)	\$ (1,374,423)	\$ 2,846,207

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The total decrease in Net Position for Governmental Activities is \$300,211. The total increase in Net Position for Business Type Activities is \$ 86,449. The net decrease in Net Position is \$213,762.

Governmental Activities

The statement of activities reflects the cost of the program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3a, for Governmental Activities, indicates the total cost of services and the percentage cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

Table 3a
Governmental Activities

	Total Cost of Services 2014-15	Percent of Total
Instruction	\$ 14,935,950	53.01%
Support services:		
Pupil and instructional staff	6,092,965	21.63%
Administrative and fiscal	2,829,395	10.04%
Operation and maintenance of plant	2,253,858	8.00%
Pupil transportation	1,362,554	4.84%
Unallocated depreciation	89,734	0.32%
Capital outlay	30,709	0.11%
Interest on long-term debt	459,744	1.63%
Charter Schools	118,305	0.42%
Total expenses	\$ 28,173,214	100.00%

The Governmental Activities in the above chart demonstrate that \$14,935,950 are allocated to School Based Budgets and are identified as instruction. Additionally, pupil and instructional staff activities are \$6,092,965. The combined resources from instruction and pupil and instructional staff total \$21,028,915.

Together the aforementioned categories account for 75% of the Governmental Activities.

Pupil transportation costs reflect the cost for salaries, overtime, maintenance of fleet and contracted transportation services. The District is a participant of the North Hudson Transportation Consortium with the Hudson County School of Technology.

To date District has not been adversely impacted by Charter Schools. Currently, the contribution to Charter Schools by the District is \$118,305. The District sends a total of 10 students to four Charter Schools.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Business-Type Activity

	Total Cost of Services <u>2014-2015</u>	Percent of Total <u> </u>
Revenue		
Charges for services	\$ 318,864	51.38%
Operating grants	<u>295,768</u>	47.66%
Total revenue	614,632	
Transfers/ Other	<u>5,930</u>	0.96%
Total revenue and transfers	<u>620,562</u>	<u>100.00%</u>
 Function/program expenses		
Food service	417,006	78.07%
Latchkey program	<u>117,107</u>	21.93%
Total expenses	<u>534,113</u>	<u>100.00%</u>
 Increase in net position	 <u>\$ 86,449</u>	

The business-type activities of the District are the food service operation and Latchkey Program. These programs had revenues and transfers of \$620,562 and expenses of \$534,113 in fiscal year 2015. The District suggests that efforts continue to increase sales and reduce costs. The District and school administrators are committed and have concentrated efforts to ensure that all students who are eligible for free/reduced lunch submit the proper forms for eligibility in a timely manner.

The District continues to examine the food service operation in effort to be self-operating without assistance from the General Fund. The business activity receives limited support from tax revenues.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Sources of Revenue

The local tax revenue has been relatively stable for several years. The dependence upon state revenue for governmental activities is apparent. For all governmental activities, state revenues support over 21%. The community, as a whole, is 75% of the support and Federal revenue accounts for 4% of the total cost of programs for District students.

Table 4
Sources of Revenue

Fiscal Year Ended June 30	Local Tax Levy	Other Local Revenue	State Revenue	Federal Revenue	Total
2015	\$ 18,850,611	\$ 245,824	\$ 5,531,743	\$ 989,658	\$ 25,617,836

The total revenue from all sources is \$25,617,836.

The Weehawken School District's Funds

The District's governmental funds are accounted for using standards established by the Governmental Accounting Standard Board Memo No. 34. Total governmental funds had revenues and other financing sources of \$25,617,836 and expenditures and other financing uses of \$25,713,386. The positive fund balance for the year-end reflects what District was able to meet current costs.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law. Instruction, Early Childhood Program and District Central Office account for the majority of programs budgeted within the General Fund.

The District's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is General Fund.

For the General and Special Revenue Fund, final actual revenues and other financing sources, in the amount of \$24,528,036, were above original budgeted revenues and other financing sources. This was due to conservative federal aid estimates and tuition revenue.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

General Fund Budgeting Highlights (Continued)

General Fund revenues and other financing sources were less than expenditures and other financing uses. This was partly due to the utilization of surplus as a budgeted revenue in the amount of \$852,898.

For the 2014-2015 District School Budget, \$847,342 of surplus was designated for subsequent years' expenditures. The allocation and projection of allocation of surplus are in compliance with New Jersey Department of Education Budgetary Guidelines.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the District had \$10,516,329 invested in capital assets, for governmental activities, representing a net decrease of \$751,329 compared to the prior year. This was attributable to depreciation expense which caused a decrease of \$1,003,380 and the increase was mainly due to the fixed asset additions in the amount of \$252,051. More detailed information about the District's capital assets and depreciation is presented in Note 3 to the financial statements.

Debt

At June 30, 2015, the District's outstanding debt issues included \$10,485,000 of general obligation bonds, obligations under capital leases of \$169,628 and compensated absences payable (presented in Note 7) of \$265,290. More detailed information about the District's long-term liabilities is presented in Note 4 of the financial statements.

Current Issues

The District has been able to provide a quality education for the students in our community while adhering to financial guidelines that exhibit a strong fiscal philosophy. We are currently faced with the dilemma of increased academic requirements and decreases in state aid. Approximately seventy-four percent of our school budget is funded by local taxes, which during tough economic times makes it difficult to increase educational programs.

As always we will continue to meet the core curriculum content standards and help our children reach their maximum potential.

Contacting the Weehawken School District's Financial Management

The Management Discussion and Analysis of this financial report is designed to provide citizens, taxpayers and investors with a snapshot of the District's finances. Also, to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Dr. John T. Fitzsimons, Interim Superintendent of Schools, Weehawken Board of Education, 53 Liberty Place, Weehawken, NJ 07086.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
DISTRICT-WIDE FINANCIAL STATEMENTS
AT JUNE 30, 2015**

Exhibit A-1

STATEMENT OF NET POSITION

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,807,687	\$ 721,291	\$ 3,528,978
Receivables, net	668,899	18,127	687,026
Inventory		6,706	6,706
Restricted assets:			
Cash and cash equivalents	207,410		207,410
Capital assets: land	602,575		602,575
Capital assets: building & impr., machinery & equipment (net)	9,913,754	35,238	9,948,992
	<u>14,200,325</u>	<u>781,362</u>	<u>14,981,687</u>
TOTAL ASSETS			
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>843,327</u>		<u>843,327</u>
LIABILITIES			
Accounts payable	1,329,101	29,097	1,358,198
Net Pension Liability (Note 7)	4,761,481		
Deferred revenue	89,844		89,844
Noncurrent liabilities :			
Due within one year	957,360		957,360
Due beyond one year	9,962,558		9,962,558
	<u>17,100,344</u>	<u>29,097</u>	<u>12,367,960</u>
TOTAL LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>283,758</u>		<u>283,758</u>
NET POSITION			
Invested in capital assets, net of related debt	876,701	35,238	911,939
Restricted for:			
Debt service	76,018		76,018
Capital projects	91,430		91,430
Other purposes	1,825,451		1,825,451
Unrestricted	<u>(5,210,050)</u>	<u>717,027</u>	<u>(4,493,023)</u>
	<u>\$ (2,340,450)</u>	<u>\$ 752,265</u>	<u>\$ (1,588,185)</u>
TOTAL NET POSITION			

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
DISTRICT-WIDE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit A-2

STATEMENT OF CHANGES IN NET POSITION

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 12,317,434		\$ 4,266,777	\$ -	\$ (8,050,657)	\$ -	\$ (8,050,657)
Special education	1,645,319		385,818		(1,259,501)		(1,259,501)
Other special instruction	258,456		60,614		(197,842)		(197,842)
Other instruction	714,741		186,249		(528,492)		(528,492)
Support services:							
Tuition	2,985,446	113,038	1,186,965		(1,685,443)		(1,685,443)
Student & instruction related services	3,107,519		895,872		(2,211,647)		(2,211,647)
School administrative services	1,128,748		216,994		(911,754)		(911,754)
General and business administrative services	1,199,791		339,426		(860,365)		(860,365)
Central services	500,856		118,976		(381,880)		(381,880)
Plant operations and maintenance	2,253,858		637,980		(1,615,878)		(1,615,878)
Pupil transportation	1,362,554		150,390		(1,212,164)		(1,212,164)
Charter schools	118,305		47,037		(71,268)		(71,268)
Special education job fund					-		-
Interest on long-term debt	459,744		153,935		(305,809)		(305,809)
Capital outlay - not capitalized	30,709				(30,709)		(30,709)
Unallocated depreciation	89,734				(89,734)		(89,734)
Total governmental activities	28,173,214	113,038	8,647,033	-	(19,413,143)	-	(19,413,143)
Business-type activities:							
Food service	417,006	114,361	295,768			(6,877)	(6,877)
Latchkey program	117,107	204,503				87,396	87,396
Total business-type activities	534,113	318,864	295,768	-		80,519	80,519
Total primary government	\$ 28,707,327	\$ 431,902	\$ 8,942,801	\$ -	\$ (19,413,143)	\$ 80,519	\$ (19,332,624)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 17,904,821	\$ -	\$ 17,904,821
Taxes levied for debt service					945,790		945,790
Federal and State aid Budget vs. GAAP					(2,429)		(2,429)
Miscellaneous Income					132,774		132,774
Adjustment : Capital Leases Proceeds/Net of Payments					(12,268)		(12,268)
Adjustment : Fixed Asset Retirements /Adjustments					144,232	5,930	150,162
Transfers					12		12
Total general revenues, special items, extraordinary items and transfers					19,112,932	5,930	19,118,862
Change in Net Position					(300,211)	86,449	(213,762)
Net Position—beginning					(2,040,239)	665,816	(1,374,423)
Net Position—ending					\$ (2,340,450)	\$ 752,265	\$ (1,588,185)

See independent auditor's report and notes to the financial statements

FUND FINANCIAL STATEMENTS

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
AT JUNE 30, 2015

Exhibit B-1

BALANCE SHEET

	<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	\$ 2,441,849	\$ 38,467	\$ 92,923	\$ 76,020	\$ 2,649,259
Investments	365,838				365,838
Due from other funds	199,323		2		199,325
Receivables from other governments	305,672	344,319			649,991
TOTAL ASSETS	<u>\$ 3,312,682</u>	<u>\$ 382,786</u>	<u>\$ 92,925</u>	<u>\$ 76,020</u>	<u>\$ 3,864,413</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,157,189	\$ 171,912			\$ 1,329,101
Interfund payable		178,920	1,495	2	180,417
Deferred revenue		89,844			89,844
Total liabilities	<u>1,157,189</u>	<u>440,676</u>	<u>1,495</u>	<u>2</u>	<u>1,599,362</u>
Fund balances:					
Restricted fund balance:					
Reserved excess surplus- designated for subsequent year's expenditures	847,342				847,342
Reserve for excess surplus	768,005				768,005
Committed fund balance:					
Year-end encumbrances	210,104				210,104
Assigned fund balance:					
Designated for subsequent year's expenditures					-
Unassigned fund balance reported in:					
General fund	330,042				330,042
Special revenue fund		(57,890)			(57,890)
Debt service fund				76,018	76,018
Capital projects fund			91,430		91,430
Total fund balance	<u>2,155,493</u>	<u>(57,890)</u>	<u>91,430</u>	<u>76,018</u>	<u>2,265,051</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,312,682</u>	<u>\$ 382,786</u>	<u>\$ 92,925</u>	<u>\$ 76,020</u>	<u>\$ 3,864,413</u>

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

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. The cost of the assets is \$23,729,488 and the accumulated depreciation is \$12,461,721 (See Note 4)	10,516,329
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in fund financial statements. (See Note 7)	843,327
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund financial statements (See Note 7)	(283,758)
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:	
Net Pension Liability	(4,761,481)
Bonds Payable	(10,485,000)
Capital Lease Payable	(169,628)
Compensated Absences Payable	(265,290)
Net position of governmental activities	<u>\$ (2,340,450)</u>

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 17,904,821	\$ -	\$ -	\$ 945,790	\$ 18,850,611
Tuition charges	113,038				113,038
Miscellaneous	132,774				132,774
Total - local sources	18,150,633	-	-	945,790	19,096,423
State sources	4,867,404	510,404		153,935	5,531,743
Federal sources	31,254	958,404			989,658
TOTAL REVENUE	23,049,291	1,468,808	-	1,099,725	25,617,824
EXPENDITURES					
Instruction:					
Regular instruction	6,642,708	1,229,374	-	-	7,872,082
Special education instruction	970,406				970,406
Other special instruction	152,457				152,457
Other instruction	468,451				468,451
Community service programs	-				-
Support services:					
Tuition	2,985,446				2,985,446
Student & instruction related services	1,902,051	82,135			1,984,186
School administrative services	545,782				545,782
Other administrative services	853,722				853,722
Central services	299,248				299,248
Plant operations and maintenance	1,604,641				1,604,641
Pupil transportation	1,097,318				1,097,318
Employee benefits	5,404,582	118,487			5,523,069
Transfer to charter school	118,305				118,305
Debt service:					
Principal				640,000	640,000
Interest and other charges				459,744	459,744
Capital outlay	64,084	42,000	32,445		138,529
TOTAL EXPENDITURES	23,109,201	1,471,996	32,445	1,099,744	25,713,386
Excess (Deficiency) of revenues over expenditures	(59,910)	(3,188)	(32,445)	(19)	(95,562)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	12	12
Transfers out	-	-	-		-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	12	12
Net change in fund balances	(59,910)	(3,188)	(32,445)	(7)	(95,550)
Fund balance—July 1	2,215,403	(54,702)	123,875	76,025	2,360,601
Fund balance—June 30	<u>\$ 2,155,493</u>	<u>\$ (57,890)</u>	<u>\$ 91,430</u>	<u>\$ 76,018</u>	<u>\$ 2,265,051</u>

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit B-3

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

Total net change in fund balances - governmental funds (from B-2) \$ (95,550)

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

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

Depreciation expense	\$ (1,003,380)	
State of NJ payment of debt service charged to capital outlay	(30,709)	
Adjustments to Fixed Assets -donated equipment/retirements	144,231	
Capital outlay	<u>138,529</u>	
		(751,329)

Pension contributions are reported in governmental funds as expenditures. However, in the statement
of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest
costs, administrative costs, investment returns, and experience/assumption. This is the amount by which
net pension liability and deferred inflows/outflows related to pension changed during the period (124,107)

(124,107)

Repayment of bond principal and capital leases are an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the statement of net assets and is not reported in the
statement of activities.

Repayment of bond principal	640,000	
Repayment of capital leases	<u>67,095</u>	
		707,095

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in
the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Capital lease (proceeds)	<u>(79,363)</u>	
		(79,363)

In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are
measured by the amounts earned during the year. In the governmental funds, however, expenditures
for these items are reported in the amount of financial resources used (paid). When the earned
amount exceeds the paid amount, the difference is a reduction in the reconciliation's (-); when the
paid amount exceeds the earned amount the difference is an additional to the reconciliation (+).

Compensated absences earned/(retired)		<u>43,043</u>
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Change in net position of governmental activities \$ (300,211)

**WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 AT JUNE 30, 2015**

Exhibit B-4

STATEMENT OF NET POSITION

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 141,054	\$ 580,237	\$ 721,291
Accounts receivable	18,127		18,127
Inventories	6,706		6,706
Total current assets	<u>165,887</u>	<u>580,237</u>	<u>746,124</u>
Noncurrent assets:			
Furniture, machinery & equipment	88,973		88,973
Less accumulated depreciation	(53,735)		(53,735)
Total noncurrent assets	<u>35,238</u>	<u>-</u>	<u>35,238</u>
TOTAL ASSETS	<u><u>\$ 201,125</u></u>	<u><u>\$ 580,237</u></u>	<u><u>\$ 781,362</u></u>
LIABILITIES AND NET POSITION			
Liabilities:			
Due to Federal For Over-Claimed Snacks	\$ 6,656		\$ 6,656
Accounts payable	22,441		22,441
Total liabilities	<u>29,097</u>	<u>-</u>	<u>29,097</u>
Net position:			
Invested in capital assets net of related debt	35,238		35,238
Unrestricted	136,790	580,237	717,027
Total net position	<u>172,028</u>	<u>580,237</u>	<u>752,265</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 201,125</u></u>	<u><u>\$ 580,237</u></u>	<u><u>\$ 781,362</u></u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 114,361		\$ 114,361
Community service activities		204,503	204,503
Total operating revenues	<u>114,361</u>	<u>204,503</u>	<u>318,864</u>
Operating expenses:			
Cost of sales	202,444		202,444
Salaries	109,312	112,986	222,298
Payroll taxes/benefits	35,488		35,488
Repairs and maintenance	3,043		3,043
Administrative fees	37,364		37,364
General supplies	23,482	4,121	27,603
Depreciation	5,873		5,873
Total operating expenses	<u>417,006</u>	<u>117,107</u>	<u>534,113</u>
Operating income (loss)	<u>(302,645)</u>	<u>87,396</u>	<u>(215,249)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	5,871		5,871
Federal sources:			
National school lunch program	255,082		255,082
Food distribution program	34,815		34,815
Net adjustment to fixed assets resulting from fixed assets inventory	5,930		5,930
Total non-operating revenues (expenses)	<u>301,698</u>	<u>-</u>	<u>301,698</u>
Change in net position	(947)	87,396	86,449
Total net position—beginning	<u>172,975</u>	<u>492,841</u>	<u>665,816</u>
Total net position—ending	<u>\$ 172,028</u>	<u>\$ 580,237</u>	<u>\$ 752,265</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit B-6

STATEMENT OF CASH FLOWS

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
Cash flows from operating activities:			
Receipts from customers	\$ 114,361	\$ 204,503	\$ 318,864
(Payments) to employees	(110,774)	(112,986)	(223,760)
(Payments) for payroll taxes/employee benefits	(23,702)		(23,702)
(Payments) to suppliers	(233,738)	(4,331)	(238,069)
Net cash provided by (used for) operating activities	<u>(253,853)</u>	<u>87,186</u>	<u>(166,667)</u>
Cash flows from noncapital financing activities:			
State Sources	5,866		5,866
Federal Sources	261,373		261,373
Net cash provided by (used for) non-capital financing activities	<u>267,239</u>	<u>-</u>	<u>267,239</u>
Net increase (decrease) in cash and cash equivalents	13,386	87,186	100,572
Balances—beginning of year	<u>127,668</u>	<u>493,051</u>	<u>620,719</u>
Balances—end of year	<u>\$ 141,054</u>	<u>\$ 580,237</u>	<u>\$ 721,291</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (302,645)</u>	<u>\$ 87,396</u>	<u>\$ (215,249)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,873		5,873
Food distribution program	34,815		34,815
(Increase) decrease in accounts receivable, net			-
(Increase) decrease in inventories	(915)		(915)
Increase (decrease) in accounts payable	<u>9,019</u>	<u>(210)</u>	<u>8,809</u>
Total adjustments	<u>48,792</u>	<u>(210)</u>	<u>48,582</u>
Net cash provided by (used for) operating activities	<u>\$ (253,853)</u>	<u>\$ 87,186</u>	<u>\$ (166,667)</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
AT JUNE 30, 2015**

Exhibit B-7

STATEMENT OF FIDUCIARY NET POSITION

	<u>Expendable Trust Funds</u>	<u>Nonexpendable Trust</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 8,092	\$ 1,000	\$ 73,451
Due from general fund	-	-	-
TOTAL ASSETS	<u>\$ 8,092</u>	<u>\$ 1,000</u>	<u>\$ 73,451</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Interfund payable - general fund	-	-	18,908
Payable to student groups	-	-	52,303
Payroll deductions and withholdings	-	-	2,240
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>73,451</u>
Net Position:			
Held in trust for other purposes	8,092	-	-
Reserved for scholarships	-	1,000	-
TOTAL NET POSITION	<u>8,092</u>	<u>1,000</u>	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 8,092</u>	<u>\$ 1,000</u>	<u>\$ 73,451</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit B-8

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>Expendable Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Investment earnings:		
Interest	\$ 5	\$ -
Net investment earnings	<u>5</u>	<u>-</u>
TOTAL ADDITIONS	<u>5</u>	<u>-</u>
DEDUCTIONS		
Transfer to student activity fund	1,000	-
TOTAL DEDUCTIONS	<u>1,000</u>	<u>-</u>
Change in net position	(995)	-
Net position—beginning of the year	<u>9,087</u>	<u>1,000</u>
Net position—end of the year	<u><u>\$ 8,092</u></u>	<u><u>\$ 1,000</u></u>

See independent auditor's report and notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Weehawken School District (the “District”) is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the District functions independently through the Weehawken Board of Education (the “Board”). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2015 of 1,328 students.

Governmental Accounting Standard Board (GASB) Statement 14 establishes criteria to be used to determine which component units should be included in the General Purpose Financial Statements of the oversight entity. The primary criterion for including activities within the District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* is whether:

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

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Accounting Standards

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government’s net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The District does not expect this Statement to impact its financial statements.

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Accounting Standards (Continued)

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, is effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a government financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62 Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending June 30, 2015. The objective if 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.

C. Basic Financial Statements – District-Wide Statements

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the District-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general operating services, special revenue, capital projects, debt service and non-expendable trust funds are classified as governmental activities. The District's Food Service and Latchkey Program are classified as business-type activities.

The Statement of Net Position and Statement of Changes in Net Position display information about the reporting district as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The district-wide Statement of Changes in Net Position reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property and certain intergovernmental revenues). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, taxes, intergovernmental revenues, interest income, etc.)

The District does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.)

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

D. Fund Financial Statements

The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *government*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) requires New Jersey Districts to treat each governmental fund as a major fund in accordance with GASB No. 34. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary, as follows:

Governmental Funds

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued):

Governmental Funds (Continued)

General Fund (Continued):

As required by the NJDOE, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities, states that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government (other than major capital project, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

Proprietary Fund

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The GAAP applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and the Extended Care Latchkey Program.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Proprietary Fund (Continued)

Internal Service Funds: Internal service funds are used to account for the financing of goods or services provided by an activity to other departments or funds on a cost-reimbursement basis. The district does not have internal service funds.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported net position (net total position) is segregated into invested capital assets, net of related debt, restricted for capital projects or unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives for the Food Service Fund fixed assets are: electronic equipment - 10 years, light furniture - 15 years, and heavy furniture - 20 years.

Fiduciary Funds

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Louis Ferullo Scholarship Fund.

Non-expendable Trust Fund: A Non-Expendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a McGowan Award Scholarship Fund as a Nonexpendable Trust Fund.

Agency Funds: Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include Payroll and Student Activity Funds.

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Fiduciary Fund (Continued)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District considers all governmental and business-type activities to be major.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and expendable trust). Since by definition these assets are being held for the benefit of a third party (other local governments, students, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the district-wide statements.

E. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the district-wide Statement of Net Position and the Statement of Changes in Net Position, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds and expendable trust funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

The financial statements of the District have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In the district-wide Statement of Net Position and Statement of Changes in Net Position, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds, expendable trust funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after the year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual, and under New Jersey Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be "accounts receivable".

All proprietary funds and non-expendable trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The 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.

G. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

H. Cash, Cash Equivalents, and Investments

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Tuition Receivable

Tuition charges for the fiscal year 2014-2015 were established by the Board based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors that will benefit periods beyond June 30, 2015. The District did not have any prepaid expenses at June 30, 2015.

L. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District, and that are due within one year.

For the purpose of the Statement of Changes in Net Position, all interfund transfers between individual funds have been eliminated.

M. General Fixed Assets

The District established a formal system of accounting for its general fixed assets. General fixed assets acquired or constructed subsequent to June 30, 1991 are recorded at original cost. General fixed assets acquired or constructed prior to the establishment of the formal system are evaluated at cost based on historical records or estimation procedures performed by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-Wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2002.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. General Fixed Assets (Continued)

District-Wide Statements (Continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	50 years
Improvements	20 years
Machinery and Equipment	5-10 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

N. Compensated Absences

In accordance with GAAP, the District accounts for compensated absences (e.g., unused vacation, sick leave). A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued sick leave up to \$7,000. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

O. Deferred Revenue

Deferred revenue in the General Fund represents unspent special revenue state grants, which are unspent from prior years. Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be paid from governmental and business-type resources is reported as liabilities in the district-wide statement. The long-term debt consists primarily of bonds, loans accrued, compensated absences, early retirement incentives and obligations under capital lease.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary funds is the same in the fund statements as it is in the district-wide statements.

Q. Equity Classifications

District-Wide Statements

Equity is classified as net position and displayed in three components:

- a) *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. Proprietary fund equity is classified the same as in the district-wide statements.

R. Net Position

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

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

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Operating and Nonoperating Revenue

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, noncapital financing, or investing activities. Nonoperating revenues include reimbursements by the State for school breakfast, lunch and food distribution programs.

T. Expenditures/Expenses

In the district-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund – By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

U. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

See independent auditor’s report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

As of June 30, 2015, the District’s deposits and investments are summarized as follows:

Reconciliation to District-Wide statement of net position:	
Unrestricted cash	\$ 3,528,978
Restricted cash	207,410
Trust and Agency Fund cash (not included in District-Wide statements)	82,543
	\$ 3,818,931

The District maintains its cash balances reflected in the balance sheets in three different financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 in each financial institution. The remaining cash bank balance is covered by the State of New Jersey, Governmental Unit Deposit Act. All investments are available on demand.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to maximize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. Securities in the Fund are insured, registered or held by the Division or its agent in the Fund’s name.

As of June 30, 2015, the District had \$373,930 on deposit with the New Jersey Cash Management Fund.

As of June 30, 2015, the District implemented disclosure requirements of GASB No. 40 *Deposits and Investment Risk Disclosures* and, accordingly, the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Cash Equivalents and Investments.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

- (a) *Custodial Credit Risk* - The District deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, collateralized with securities held by the financial institution's trust department or agent but not in the depository government's name. The deposit risk is that, in the event of the failure of the financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the District and are held by either: the counterparty or the counterparty's trust department or agent but not in the District's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

As of June 30, 2015, the District's bank balance was not exposed to custodial credit risk since the full amount was covered by either FDIC insurance or GUDPA. The New Jersey Cash Management Fund which is administered by the State of New Jersey Department of the Treasury invests pooled monies from various State and non-State agencies in primarily short-term investments. The investments include: US Treasuries, Short-Term Commercial Paper, US Government Agency Bonds, Corporate Bonds, and Certificated of Deposits. Agencies that are part of the Fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The District does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

As of June 30, 2015, there were no investments in the District's portfolio. The District does not have a formal policy for investment securities custodial risk other than to maintain a safekeeping account for the securities at a financial institution.

- (b) *Concentration of Credit Risk* - This is the risk associated with the amount of investments the District has with any one issuer that exceed 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments were excluded from this requirement. The District places no limit on the amount it may invest in any one issuer. As of June 30, 2015, the District was not exposed to a concentration of credit risk.
- (c) *Credit Risk* - GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the District does not have an investment policy regarding Credit Risk except to the extent previously outlined under the District's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) *Interest Rate Risk* - This is the risk that changes in the interest rates will adversely affect the fair value of investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the District does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investments would provide higher yields that lower the cost and risk.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3. CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated. Capital outlay of \$138,529 (Exhibit B-2) reconciles to additions in the fixed assets schedule of \$255,747, except for (\$30,709) which was debt service aid withheld from the District's State aid payments, \$79,362 for new capital lease, and \$53,389 for donated assets. Asset deletions and adjustments net \$14,621.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: building - 50 years, improvements - 20 years, equipment 5 to 10 years. Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Adjustment/ Disposals	Balance June 30, 2015
Governmental activities:				
Land	\$ 602,575	\$ -	\$ -	\$ 602,575
Buildings & building improvements	21,619,830	32,445		21,652,275
Machinery & equipment	1,507,083	222,747	(84,419)	1,645,411
Totals at historic cost	<u>23,729,488</u>	<u>255,192</u>	<u>(84,419)</u>	<u>23,900,261</u>
Less accumulated depreciation				
Buildings & building improvements	(11,724,016)	(889,080)		(12,613,096)
Machinery & equipment	(737,705)	(114,300)	81,169	(770,836)
Total accumulated depreciation	<u>(12,461,721)</u>	<u>(1,003,380)</u>	<u>81,169</u>	<u>(13,383,932)</u>
Governmental activities capital Assets, net	<u>\$ 11,267,767</u>	<u>\$ (748,188)</u>	<u>\$ (3,250)</u>	<u>\$ 10,516,329</u>
Business-type activities:				
Machinery & equipment	\$ 83,317	\$ 7,146	\$ (1,490)	\$ 88,973
Totals at historic cost	83,317	7,146	(1,490)	88,973
Less accumulated depreciation				
Machinery & equipment	(48,136)	(5,873)	274	(53,735)
Business-type activities capital Assets, net	<u>\$ 35,181</u>	<u>\$ 1,273</u>	<u>\$ (1,216)</u>	<u>\$ 35,238</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3. CAPITAL ASSETS AND DEPRECIATION (Continued)

** Depreciation expense was charged to Governmental Activities as follows:

Instruction:	
Regular	\$ 312,516
Special education	-
Other instruction	-
Total instruction	<u>312,516</u>
Support services:	
Student & instructional related services	195,347
School administrative services	9,823
General & business administrative services	204,477
Operation & maintenance of plant	154,273
Student transportation	37,210
Unallocated depreciation	89,734
Total support services	<u>690,864</u>
Total depreciation expense	<u>\$ 1,003,380</u>

NOTE 4. LONG-TERM DEBT

The Board's long-term debt is summarized as follows:

As of June 30, 2015, the governmental long-term debt of the District consisted of the following:

Bonds payable:	
Current portion	\$ 720,000
Non current portion	9,765,000
Accrued compensated absences:	
Current portion	170,348
Non current portion	94,942
Obligations under capital leases	
Current portion	67,012
Non current portion	102,616
Total governmental activity debt	<u>\$ 10,919,918</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4. LONG-TERM DEBT (Continued)

As of June 30, 2015, there was no long-term debt payable from proprietary fund resources. During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2014	Issued	Retired/ Adjustments	Balance June 30, 2015	Amounts Due Within One Year	Long Term Portion
Bonds payable	\$ 11,125,000		\$ (640,000)	\$ 10,485,000	\$ 720,000	\$ 9,765,000
Obligations under						
Capital leases	157,360	79,363	(67,095)	169,628	67,012	102,616
Compensated Absences						
Payable	308,333	17,440	(60,483)	265,290	170,348	94,942
Total	\$ 11,590,693	\$ 96,803	\$ (767,578)	\$ 10,919,918	\$ 957,360	\$ 9,962,558

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referenda. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

In October 1993, the District issued serial bonds for general improvements to the District's property and in July, 2003, the District issued pension serial bonds for early retirement incentives payable. Principal and interest due on those serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 720,000	\$ 415,378	\$ 1,135,378
2017	745,000	390,150	1,135,150
2018	755,000	360,138	1,115,138
2019	785,000	327,133	1,112,133
2020	810,000	292,843	1,102,843
Thereafter	6,670,000	1,185,593	7,855,593
	<u>\$ 10,485,000</u>	<u>\$ 2,971,233</u>	<u>\$ 13,456,233</u>

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4. LONG-TERM DEBT (Continued)

B. Capital Leases

On August 15, 2012, June 30, 2013, September 27, 2013, and September 19, 2014 respectively, the Board signed four five-year leases for four school buses. Principal and interest due on the capital lease obligations outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 67,013	\$ 4,344	\$ 71,357
2017	51,521	2,533	54,054
2018	34,853	1,231	36,084
2019	16,241	387	16,628
	<u>\$ 169,628</u>	<u>\$ 8,495</u>	<u>\$ 178,123</u>

NOTE 5. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (the "Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$48,308,189 as measured on June 30, 2014 and \$46,867,404 as measured on June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,599,434 and revenue of \$2,599,434 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon changes in the collective net pension liability between July 1, 2013 and June 30, 2014.

Although the district does not report net pension liability or deferred outflows or inflows related to TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/13</u>	<u>06/30/14</u>
Collective deferred outflows of resources		\$2,306,623,861
Collective deferred inflows of resources		1,763,205,593
Collective net pension liability (Nonemployer- State of New Jersey)	\$50,539,213,484	53,446,745,367
State's portion of the net pension liability that was associated with the district	46,867,404	48,308,189
State's portion of the net pension liabilities that was associated with the district as a percentage of the collective net pension liability	.0927347314	.0903856522

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 June 30, 2013 measurement date was determined by an actuarial valuation of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases:	Varies based on experience
Investment Rate of Return:	7.90%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's 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%

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Discount Rate: The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit pay.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>

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

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

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

At June 30, 2015, the District reported a liability of \$4,761,481 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability 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. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.02543%, which was a decrease of 0.0030% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$333,761. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	149,727	
Net difference projected and actual earnings on pension plan investments		283,758
Changes in proportion and differences between District and proportionate share of contributions	483,946	
District contributions subsequent to the measurement date	\$ 209,654	
 Total	 \$ 843,327.00	 \$ 283,758.00

\$209,654 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability measured as of June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2015	\$ (61,503.24)
2016	\$ (61,503.24)
2017	\$ (61,503.24)
2018	\$ (61,503.24)
2019	\$ 48,274.03
Thereafter	\$ 21,240.57
Total	\$ (176,498.36)

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**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

	6/30/2013	6/30/2014
Collective deferred outflows of resources		\$ 952,194,675
Collective deferred inflows of resources		1,479,224,662
Collective net pension liability (Non-State-Local Group)	19,111,986,911	18,722,735,003
District's portion of net pension liability	4,287,568	4,761,481
District's proportion %	0.0224339193%	0.0254315463%

Actuarial assumptions. The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	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 rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
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%

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Discount rate. The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(4.39%)</u>	<u>(5.39%)</u>	<u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 5,990,113	\$ 4,761,481	\$ 3,729,750

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Significant Legislation - Two pieces of legislation passed during the year ending June 30, 2002 had a significant impact on the benefit provisions under the PERS and TPAF. Chapter 133, P.L. 2002, increases retirement benefits for service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increases the retirement benefit for veteran members with 35 or more years of service and reduces the age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements were effective with the November 1, 2002 benefit checks. Chapter 120, P.L.2002, establishes an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Chapter 4, P.L. 2002 provides increased benefits to certain members of the PERS, who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5 percent of the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 percent to 70 percent of final compensation.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfounded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

Three – Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/15	\$ 209,654	100%	0
06/30/14	169,035	100%	0
06/30/13	173,660	100%	0

Three – Year Trend Information for TPAF

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/15	\$ 1,251,673	100%	0
06/30/14	1,009,310	100%	0
06/30/13	1,276,767	100%	0

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$1,251,673 to the TPAF for normal and post retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$647,754 during the year ended June 30, 2015 for employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as a revenue and an expenditure. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 6. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. 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 in accordance with P.L. 1994, c62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go beginning fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free 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.

GASB Statement # 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District does not provide post-employment benefits other than pension. Healthcare provided to eligible TPAF and PERS board of education retirees through the NJ State Health Benefits Program are paid by the State of New Jersey and as such, no district OPEB liability exists.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued sick leave up to \$7,000. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid in accordance with District agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the governmental fund types is recorded as a current and long-term liability. The current portion of the compensated absence balance is \$170,348 and long-term liability balance of compensated absences is \$94,942. The total balance of compensated absences payable was \$265,290 as of June 30, 2015.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: 1) Equitable, 2) Met Life, 3) Valic, and 4) Lincoln Investment.

NOTE 9. RISK MANAGEMENT

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

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

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 199,323	
Special revenue fund		178,920
Capital project fund	2	1,495
Debt Service Fund		2
Fiduciary funds		18,908
Total	\$ 199,325	\$ 199,325

The payroll agency interfund receivable in the General Fund was not eliminated, since Trust and Agency Funds are not included on The Statement of Net Position.

NOTE 11. INVENTORY

Ending inventory in the Food Service Fund at June 30, 2015 was \$6,706.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984 as amended by the single audit act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$2,155,493 General Fund balance at June 30, 2015, \$210,104 is committed and reserved for encumbrances; \$768,005 is restricted and reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$847,342 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015; and \$330,042 is unassigned and undesignated.

Capital Projects Fund - Of the \$91,430 Capital Project Fund balance at June 30, 2015, \$0 is committed and reserved for encumbrances; \$91,430 is unassigned and undesignated.

Debt Service Fund - Of the \$76,018 Debt service Fund balance at June 30, 2015, \$0 has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2015; and \$76,018 is unassigned and undesignated.

The following is a summary of adjustments made to the fund statements to arrive at the total net position per the District-wide Statement of Net Assets:

	Governmental Activities	Business-Type Activities	Total
Fund balance/net position	\$ 2,265,051	\$ 717,027	\$ 2,982,078
Add: Capital assets, net of A/D	10,516,329	35,238	10,551,567
Add: Deferred Inflows net With Deferred Outflows	559,569		
Less: Long-term liabilities	(15,681,399)		(15,681,399)
Total net position	<u>\$ (2,340,450)</u>	<u>\$ 752,265</u>	<u>\$ (2,147,754)</u>

NOTE 13. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$57,890 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District does not have a deficit in the GAAP funds statements, and therefore is less than the last state aid payment.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14. BUDGETS / BUDGETARY CONTROLS

The Following presents a reconciliation of the general fund revenues and special revenue funds revenue and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental funds. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognitions policy for the last state aid payment.

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 23,048,532	\$ 1,479,504
 Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year encumbrances expended		(7,508)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	(168,320)	(57,890)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	169,079	54,702
	<u>\$ 23,049,291</u>	<u>\$ 1,468,808</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 23,109,201	\$ 1,479,504
 Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(7,508)
Prior year encumbrances expended		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund.		
	<u>\$ 23,109,201</u>	<u>\$ 1,471,996</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.		

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15. CALCULATION OF EXCESS SURPLUS

Pursuant to N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 was \$768,005.

NOTE 16. CONTINGENT LIABILITIES

Litigation

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the District's management and of the District's attorney, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

Grants

The District received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes and effective internal control for the proper administration of the funds. The District is subject to the provisions of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the District be audited in conjunction with the audit of the general-purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of June 30, 2015, the District estimates that no material liabilities will result from such audits.

NOTE 17. SUBSEQUENT EVENTS

Management has reviewed subsequent events through December 16, 2015, which is the date the financial statements were available to be issued. There has been no new debt authorized as of December 16, 2015.

See independent auditor's report

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18. RETROACTIVE RESTATEMENT OF NET POSITION

The District adopted GASB No. 68 -*Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27* during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the measurement date of the net pension liability is June 30, 2014 (as described in Note 8), the restatement adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71 -*Pension Transition for Contributions Made Subsequent to the Measurement Date*, the district restated its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

<u>Governmental Activities Net Position:</u>	
Net Position (per A-1), June 30, 2014	\$ 2,037,675
Restatement of Net Pension Liability	(4,287,568)
Restatement of Deferred Outflows- Pension	209,654
Net Position (per A-1), June 30, 2014, as Restated	<u>\$ (2,040,239)</u>

See independent auditor's report

Required Supplementary Information

Part II

BUDGETARY COMPARISON SCHEDULES

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-1

BUGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES					
Local sources:					
Local tax levy	\$ 17,904,821	\$ -	\$ 17,904,821	\$ 17,904,821	\$ -
Tuition	81,000		81,000	113,038	32,038
Miscellaneous	250,000		250,000	132,774	(117,226)
Total - local sources	<u>18,235,821</u>	<u>-</u>	<u>18,235,821</u>	<u>18,150,633</u>	<u>(85,188)</u>
State Sources:					
Adjustment aid	1,441,112		1,441,112	1,441,112	
Transportation aid	150,390		150,390	150,390	
Special education aid	724,050		724,050	724,050	
Security aid	352,479		352,479	352,479	
Extraordinary aid	200,000		200,000	274,167	74,167
Other state aid	25,020		25,020	25,020	
TPAF pension (on-behalf - non-budgeted)				483,739	483,739
TPAF post retirement medical contributions (on-behalf - non-budgeted)				767,934	767,934
TPAF social security (reimbursed - non-budgeted)				647,754	647,754
Total - state sources	<u>2,893,051</u>	<u>-</u>	<u>2,893,051</u>	<u>4,866,645</u>	<u>1,973,594</u>
Federal sources:					
Medical assistance program	12,546	(12,546)		31,254	31,254
Total - federal sources	<u>12,546</u>	<u>(12,546)</u>	<u>-</u>	<u>31,254</u>	<u>31,254</u>
TOTAL REVENUES	<u>21,141,418</u>	<u>(12,546)</u>	<u>21,128,872</u>	<u>23,048,532</u>	<u>1,919,660</u>
EXPENDITURES					
INSTRUCTION					
Current expenses:					
Regular programs - instruction:					
Regular programs - instruction:					
Preschool/kindergarten - salaries of teachers	347,000	(59,243)	287,757	279,399	8,358
Grades 1-5 - salaries of teachers	2,331,000	(105,000)	2,226,000	2,168,200	57,800
Grades 6-8 - salaries of teachers	1,562,250	85,754	1,648,004	1,637,157	10,847
Grades 9-12 - salaries of teachers	1,575,000	111,333	1,686,333	1,686,333	
Regular programs - home instruction:					
Salaries of teachers	13,000		13,000	13,000	
Other purchased services (400-500 series)	7,000		7,000		7,000
Regular programs - undistributed instruction:					
Other salaries for instruction					
Purchased professional-educational services	60,650	1,624	62,274	56,076	6,198
Purchased technical services	144,800	12,705	157,505	144,604	12,901
Leased instructional equipment	233,500	(82,629)	150,871	133,108	17,763
Other purchased services (400-500 series)	72,000	5,000	77,000	51,572	25,428
Travel	4,500		4,500	955	3,545
General/teaching supplies	260,000	22,389	282,389	253,532	28,857
Textbooks	170,000	46,468	216,468	207,699	8,769
Other objects	25,500	(10,900)	14,600	11,073	3,527
Total regular programs - instructions	<u>6,806,200</u>	<u>27,501</u>	<u>6,833,701</u>	<u>6,642,708</u>	<u>190,993</u>
Special education - instructions:					
Learning and/or language disabilities:					
General supplies					
Total learning and/or language disabilities					
Resource room/resource center:					
Salaries of teachers	724,500	(8,717)	715,783	703,833	11,950
Other salaries for instruction	257,000	8,717	265,717	265,717	
General supplies	3,500		3,500		3,500
Textbooks	2,500		2,500	856	1,644
Total resource room/resource center	<u>987,500</u>	<u>-</u>	<u>987,500</u>	<u>970,406</u>	<u>17,094</u>
Total special education - instruction	<u>987,500</u>	<u>-</u>	<u>987,500</u>	<u>970,406</u>	<u>17,094</u>
Bilingual education - instruction:					
Salaries of teachers	182,000	770	182,770	152,274	30,496
General supplies	6,135		6,135	183	5,952
Textbooks	5,000	(1,105)	3,895		3,895
Total bilingual education - instruction	<u>193,135</u>	<u>(335)</u>	<u>192,800</u>	<u>152,457</u>	<u>40,343</u>
School-spon. co curricular actvts. - instruction:					
Salaries	86,000	3,147	89,147	89,147	
Supplies and materials	17,000	(7,318)	9,682	2,587	7,095
Other objects	11,000		11,000	10,554	446
Total school-spon. co curricular actvts. - instruction	<u>114,000</u>	<u>(4,171)</u>	<u>109,829</u>	<u>102,288</u>	<u>7,541</u>

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-1

BUGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
School-spon. co curricular athletics - instruction:					
Salaries	\$ 246,000	\$ 5,281	\$ 251,281	\$ 249,665	\$ 1,616
Purchased services	3,000.00		3,000.00	1,863.00	1,137
Supplies and materials	70,000	1,421	71,421	70,948	473
Other objects	25,000	7,454	32,454	28,690	3,764
Total school-spon. co curricular athletics - instruction	344,000	14,156	358,156	351,166	6,990
Before and after school programs- instruction:					
Salaries	15,000	-	15,000	14,997	3
Total before and after school programs- instruction	15,000	-	15,000	14,997	3
TOTAL INSTRUCTION	8,459,835	37,151	8,496,986	8,234,022	262,964
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	725,000	206,775	931,775	901,813	29,962
Tuition to CSSD & regional day schools	1,350,000	(158,238)	1,191,762	1,191,762	-
Tuition to private schools for the disabled - within state	980,000	(74,515)	905,485	891,871	13,614
Total undistributed expenditures - instruction	3,055,000	(25,978)	3,029,022	2,985,446	43,576
Undistributed expend. - attend. & social work:					
Salaries	51,200	-	51,200	25,361	25,839
Other purchased services (400-500 series)	900	-	900	385	515
Total undistributed expend. - attend. & social work	52,100	-	52,100	25,746	26,354
Undistributed expenditures - health services:					
Salaries	184,000	30,000	214,000	185,555	28,445
Purchased professional and technical services	2,050	-	2,050	2,050	-
Supplies and materials	5,750	548	6,298	5,218	1,080
Other objects	2,600	(500)	2,100	576	1,524
Total undistributed expenditures - health services	194,400	30,048	224,448	191,349	33,099
Undist. expend. - speech, OT, PT and other supp. serv. students - related serv.:					
Salaries	143,000	35,000	178,000	165,050	12,950
Purchased professional - educational service	90,000	156,859	246,859	241,289	5,570
Supplies and materials	6,500	-	6,500	6,342	158
Other objects	1,000	-	1,000	1,000	-
Total undist. expend. - speech, OT, PT and - related serv.	240,500	191,859	432,359	412,681	19,678
Undist. expend. - other supp. serv. guidance- students-reg.:					
Salaries of other professional staff	229,000	-	229,000	204,350	24,650
Purchased professional - educational service	29,500	-	29,500	27,817	1,683
Supplies and materials	8,000	-	8,000	4,339	3,661
Other objects	2,000	-	2,500	2,500	-
Total undist. expend. - other supp. serv. guidance - students - reg.	268,500	-	269,000	239,006	29,994
Undist. expend. - other supp. serv. students - spl- child study teams:					
Salaries of other professional staff	312,000	-	312,000	307,344	4,656
Salaries of secretarial and clerical assistants	-	-	-	-	-
Misc. purchased serv. (400 - 500 series o/than resid. costs)	2,000	(864)	1,136	220	916
Supplies and materials	4,550	44	4,594	3,477	1,117
Other objects	2,000	864	2,864	2,864	-
Total undist. expend. - other supp. serv. students - spl- child study teams	320,550	44	320,594	313,905	6,689
Undist. expend. - improvement of inst. serv.:					
Salaries of supervisor of instruction	164,000	(65,000)	99,000	99,000	-
Salaries of other professional staff	183,500	65,000	248,500	241,274	7,226
Total undist. expend. - improvement of inst. serv.	347,500	-	347,500	340,274	7,226
Undist. expend. - edu. media serv./sch. library:					
Salaries	228,968	-	228,968	227,776	1,192
Salaries of technology coordinators	98,500	-	98,500	96,384	2,116
Purchased professional and technical services	2,400	229	2,629	2,629	-
Travel	500	-	500	500	-
Supplies and materials	20,600	-	20,600	14,464	6,136
Other objects	5,000	-	5,000	3,835	1,165
Total undist. expend. - edu. media serv./sch. Library	355,968	229	356,197	342,459	13,738
Undist. expend. - instructional staff training serv.:					
Purchased professional - educational service	91,900	(24,171)	67,729	36,631	31,098
Total undist. expend. - instructional staff training serv.	91,900	(24,171)	67,729	36,631	31,098
Undist. expend. - supp. serv. - general admin.:					
Salaries	243,000	5,000	248,000	203,405	44,595
Purchased professional educational services	-	595	595	595	-
Legal services	58,000	-	58,000	57,045	955
Audit fees	62,000	500	62,500	62,500	-
Other purchased professional services	45,000	5,000	50,000	50,000	-
Purchased technical services	9,500	(6,095)	3,405	3,305	100
Communications/telephone	97,000	5,839	102,839	96,743	6,096
BOE other purchased services	8,500	-	8,500	3,922	4,578
Other purchased services	37,000	-	37,000	36,635	365
Supplies and materials	13,000	-	13,000	11,569	1,431
Miscellaneous expenditures	21,000	-	21,000	20,063	937
Total undist. expend. - supp. serv. - general admin.	594,000	10,839	604,839	545,782	59,057
Undist. expend. - support serv. - school admin.:					
Salaries of principals/assistant principals	622,000	(5,000)	617,000	607,738	9,262
Salaries of secretarial and clerical assistants	269,000	(44,844)	224,156	215,614	8,542
Purchased professional and technical services	5,000	-	5,000	373	4,627
Travel	1,550	-	1,550	398	1,152
Supplies and materials	8,200	5,043	13,243	7,632	5,611
Other objects	30,000	(1,230)	28,770	21,967	6,803
Total undist. expend. - support serv. - school admin.	935,750	(46,031)	889,719	853,722	35,997

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
Undist. expend. - central services:					
Salaries	\$ 320,000	\$ -	\$ 320,000	\$ 289,621	\$ 30,379
Purchased services	2,000		2,000	359	1,641
Travel					-
Supplies and materials	10,000	-	10,000	7,728	2,272
Other objects	3,000		3,000	1,540	1,460
Total undist. expend. - central services	<u>335,000</u>	<u>-</u>	<u>335,000</u>	<u>299,248</u>	<u>35,752</u>
Undist. expend. - allowable maintenance for school facilities:					
Cleaning, repair, and maintenance services	170,000	8,979	178,979	123,963	55,016
General supplies	10,000	-	10,000	6,378	3,622
Total undist. expend. - allowable maintenance for school facilities	<u>180,000</u>	<u>8,979</u>	<u>188,979</u>	<u>130,341</u>	<u>58,638</u>
Undist. expend. - other oper. & maint. of plant - custodial services:					
Salaries	579,000	23,911	602,911	602,023	888
Salaries of non-instructional aides	110,000	(23,911)	86,089	83,515	2,574
Purchased professional and technical services	98,000	-	98,000	97,875	125
Cleaning, repair and maintenance services	50,000	13,723	63,723	56,604	7,119
Other purchased property services	63,000	13,280	76,280	48,891	27,389
Insurance	222,000	-	222,000	217,272	4,728
Travel	1,000	-	1,000		1,000
General supplies	116,000	2,668	118,668	114,170	4,498
Energy (electricity)	171,000	24,610	195,610	53,744	141,866
Other objects	15,000	100	15,100	3,912	11,188
Energy (natural gas)	156,000	15,000	171,000	170,818	182
Total undist. expend. - other oper. & maint. of plant - custodial services	<u>1,581,000</u>	<u>69,381</u>	<u>1,650,381</u>	<u>1,448,824</u>	<u>201,557</u>
Undist. expend. - security:					
Salaries	13,750	23,000	36,750	25,476	11,274
General supplies	-	-	-	-	-
Total undist. expend. - security	<u>13,750</u>	<u>23,000</u>	<u>36,750</u>	<u>25,476</u>	<u>11,274</u>
Total undist. expend. - oper. & maint. of plant	<u>1,774,750</u>	<u>101,360</u>	<u>1,876,110</u>	<u>1,604,641</u>	<u>271,469</u>
Undist. expend. - student transportation serv.:					
Sal. for pup. trans. (bet. home and school) - regular	206,300	34,000	240,300	240,300	-
Sal. for pup. trans. (bet. home and school) - special	55,000	-	55,000	50,712	4,288
Sal. for pup. trans. (other than bet. home and school)	40,000	-	40,000	36,559	3,441
Health benefits	80,000	(48,700)	31,300	31,300	-
Cleaning, repair and maintenance services	55,000	140	55,140	47,998	7,142
Rental payments- school buses		-			-
Lease purchase payments - school buses	56,700	14,700	71,400	71,357	43
Aid in lieu of charter school	3,500	-	3,500	2,652	848
Aid in lieu of choice school	2,600	-	2,600		2,600
Contract services - (between home and school) - vendors	60,000	(60,000)			-
Contract services - (other than between home and school) - vendors	3,500	660	4,160		4,160
Special ed. - joint agreement	69,000	-	69,000	45,025	23,975
Contract services regular education students	60,000	20,000	80,000	79,511	489
Transportation services- CTSA special education	430,000	-	430,000	410,940	19,060
Misc. purchased serv. - transportation	35,000	1,600	36,600	36,600	-
Supplies and materials	60,000	3,507	63,507	36,714	26,793
Other objects	5,000	3,000	8,000	7,650	350
Total undist. expend. - student transportation serv.	<u>1,221,600</u>	<u>(31,093)</u>	<u>1,190,507</u>	<u>1,097,318</u>	<u>93,189</u>
UNALLOCATED BENEFITS					
Social security contributions	260,000	(11,931)	248,069	245,774	2,295
PERS contributions - regular	230,000	(20,346)	209,654	209,654	-
Unemployment compensation	48,000	(1,069)	46,931	45,441	1,490
Workmen's compensation	130,000	-	130,000	124,377	5,623
Health benefits	2,899,254	(70,000)	2,829,254	2,806,834	22,420
Tuition reimbursement	22,000	-	22,000	14,420	7,580
Other employee benefits	16,000	43,346	59,346	58,655	691
TOTAL UNALLOCATED BENEFITS	<u>3,605,254</u>	<u>(60,000)</u>	<u>3,545,254</u>	<u>3,505,155</u>	<u>40,099</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	483,739	(483,739)
TPAF post retirement medical contributions (on-behalf - non-budgeted)	-	-	-	767,934	(767,934)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	647,754	(647,754)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,899,427</u>	<u>(1,899,427)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,605,254</u>	<u>(60,000)</u>	<u>3,545,254</u>	<u>5,404,582</u>	<u>(1,859,328)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>13,392,772</u>	<u>147,106</u>	<u>13,540,378</u>	<u>14,692,790</u>	<u>(1,152,412)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>21,852,607</u>	<u>184,257</u>	<u>22,037,364</u>	<u>22,926,812</u>	<u>(889,448)</u>
CAPITAL OUTLAY					
Facilities acquisition and construction services:					
SDA assessment	30,709	-	30,709	30,709	-
Equipment	36,000	36,000	72,000	33,375	38,625
Total facilities acquisition and construction services	<u>66,709</u>	<u>36,000</u>	<u>102,709</u>	<u>64,084</u>	<u>38,625</u>
TOTAL CAPITAL OUTLAY	<u>66,709</u>	<u>36,000</u>	<u>102,709</u>	<u>64,084</u>	<u>38,625</u>
Transfer of funds to Charter Schools	75,000	43,350	118,350	118,305	45
TOTAL EXPENDITURES	<u>21,994,316</u>	<u>263,607</u>	<u>22,258,423</u>	<u>23,109,201</u>	<u>(850,778)</u>

WEEHAWKEN BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-1

BUGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	\$ (852,898)	\$ (276,153)	\$ (1,129,551)	\$ (60,669)	\$ 1,068,882
Other financing sources:					
Operating transfer out:					
Transfer to food service fund	-	-	-	-	-
Transfer to extended care	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources					
Over (under) expenditures and other financing sources (uses)	(852,898)	(276,153)	(1,129,551)	(60,669)	1,068,882
Fund balance, July 1				2,384,482	
Fund balance, June 30	\$ (852,898)	\$ (276,153)	\$ (1,129,551)	\$ 2,323,813	\$ 1,068,882
Recapitulation fund balance:					
Restricted fund balance:					
Reserved excess surplus - designated for subsequent year's expenditures				\$ 847,342	
Reserve for excess surplus				768,005	
Committed fund balance:					
Year end encumbrances				210,104	
Unassigned fund balance				498,362	
				2,323,813	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(168,320)	
Fund balance per governmental funds (GAAP)				\$ 2,155,493	

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
State sources	\$ 584,011	\$ 7,508	\$ 591,519	\$ 521,100	\$ (70,419)
Federal sources	824,473	133,931	958,404	958,404	-
TOTAL REVENUES	<u>1,408,484</u>	<u>141,439</u>	<u>1,549,923</u>	<u>1,479,504</u>	<u>(70,419)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	764,760	61,760	826,520	777,229	49,291
Other salaries for instruction	114,763	-	114,763	94,759	20,004
Purchased professional and technical services	60,000	-	60,000	60,000	-
Tuition	255,572	-	255,572	255,572	-
General supplies	29,817	12,131	41,948	41,814	134
Other purchased services	-	-	-	-	-
Other objects	-	-	-	-	-
Total instruction	<u>1,224,912</u>	<u>73,891</u>	<u>1,298,803</u>	<u>1,229,374</u>	<u>69,429</u>
Support services:					
Salaries of supervisor of instruction	-	-	-	-	-
Salaries of program directors	37,889	-	37,889	37,889	-
Salaries of other professional staff	-	-	-	-	-
Salaries of secretaries & clerical assistants	13,280	-	13,280	13,280	-
Personal services - salaries	-	-	-	-	-
Other salaries	12,000	-	12,000	12,000	-
Personal services - employee benefits	97,003	21,484	118,487	118,487	-
Plant operations and maintenance	-	7,508	7,508	7,508	-
Purchased professional - technical services	-	-	-	-	-
Purchased professional - educational services	6,000	(3,444)	2,556	2,556	-
Rentals	7,400	-	7,400	6,410	990
Purchased property services	-	-	-	-	-
Supplies & materials	10,000	-	10,000	10,000	-
Total support services	<u>183,572</u>	<u>25,548</u>	<u>209,120</u>	<u>208,130</u>	<u>990</u>
Facilities acquisition and const. serv.:					
Equipment					
Total facilities acquisition and const. serv.	-	42,000	42,000	42,000	-
	-	42,000	42,000	42,000	-
TOTAL EXPENDITURES	<u>1,408,484</u>	<u>141,439</u>	<u>1,549,923</u>	<u>1,479,504</u>	<u>70,419</u>
Total outflows	<u>1,408,484</u>	<u>141,439</u>	<u>1,549,923</u>	<u>1,479,504</u>	<u>70,419</u>
Excess (deficiency) of revenues over (under)	-	-	-	-	-
Expenditures and other financing sources (uses)	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

WEEHAWKEN BOARD OF EDUCATION
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 23,048,532	[C-2]	\$ 1,479,504
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(7,508)
Prior year encumbrances expended				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(168,320)		(57,890)
State aid payment recognized for GAAP Statement in the current year, previously recognized for budgetary purposes.		169,079		54,702
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 23,049,291</u>	[B-2]	<u>\$ 1,468,808</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 23,109,201	[C-2]	\$ 1,479,504
Difference - budget to GAAP:				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				(7,508)
Prior year encumbrances expended				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 23,109,201</u>	[B-2]	<u>\$ 1,471,996</u>

Required Supplementary Information

Part III

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit C-4

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teachers' Pension and Annuity Fund (TPAF)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District's proportion of the net pension liability (asset) **	N/A	N/A								
District's proportionate share of the net pension liability (asset) **										
District's proportionate share of the net pension liability (asset) associated with the District	\$ 48,308,189	\$ 46,867,404								
Total	<u>48,308,189</u>	<u>46,867,404</u>								
District's covered employee payroll	10,988,621	8,818,184								
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A								
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%								

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District's proportion of the net pension liability (asset)	0.02543%	0.02243%								
District's proportionate share of the net pension liability (asset)	\$ 4,761,481	\$ 4,287,568								
District's covered employee payroll	1,774,778	1,658,529								
District's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	268%	259%								
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.08%	48.72%								

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit C-5

SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Pension and Annuity Fund (TPAF)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Contractually required contribution**	N/A	N/A								
Contributions in relation to the contractually required contributions**	N/A	N/A								
Contributions deficiency (excess)	N/A	N/A								
District's covered employee payroll	\$ 10,988,621	\$ 8,818,184								
Contributions as a percentage of covered-employee payroll	N/A	N/A								

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Contractually required contribution**	\$ 169,035	\$ 173,660								
Contributions in relation to the contractually required contributions**	(169,035)	(173,660)								
Contributions deficiency (excess)	-	-								
District's covered employee payroll	1,774,778	1,658,529								
Contributions as a percentage of covered-employee payroll	9.52%	10.47%								

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**WEEHAWKEN BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedules
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit C-6

Teachers' Pension and Annuity Fund (TPAF)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

ABBOTT SCHEDULES

These schedules have been omitted. The Weehawken School District is a Non Abbott District.

SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit E-1

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	Total Brought Forward (Ex. E-1a)	Title I 2014-2015	I.D.E.A. Part B Basic 2014-2015	I.D.E.A. Part B Flow Through 2014-2015	Totals 2015
REVENUES					
State sources	\$ 521,100				\$ 521,100
Federal sources	89,924	542,908	9,761	315,811	958,404
TOTAL REVENUES	611,024	542,908	9,761	315,811	1,479,504
EXPENDITURES:					
Instruction:					
Salaries of teachers	381,599	395,630			777,229
Other salaries for instruction	94,759				94,759
Personal services - salaries	-				-
Purchased professional and technical services	-			60,000	60,000
Tuition	-		9,761	245,811	255,572
General supplies	40,813	1,001			41,814
Other purchased services	-				-
Other objects	-				-
Total instruction	517,171	396,631	9,761	305,811	1,229,374
Support services:					
Salaries of supervisors of instruction	-				-
Salaries of program directors	37,889				37,889
Salaries of other professional staff	-				-
Salaries of sec. and clerical assist.	13,280				13,280
Personal services - salaries	-				-
Other salaries	12,000				12,000
Personal services - employee benefits	16,766	101,721			118,487
Plant operations and maintenance	7,508				7,508
Purchased professional - technical services	-				-
Purchased professional - educational services	-	2,556			2,556
Rentals	6,410				6,410
Purchased property services	-				-
Supplies & materials	-			10,000	10,000
Total support services	93,853	104,277	-	10,000	208,130
Facilities acquisition and const. serv.:					
Equipment	-	42,000			42,000
Total facilities acquisition and const. serv.	-	42,000	-	-	42,000
Transfer to charter schools	-				-
TOTAL EXPENDITURES	611,024	542,908	9,761	315,811	1,479,504
Other financing sources (uses)	-				-
Transfer in from general fund	-				-
Total outflows	611,024	542,908	9,761	315,811	1,479,504
Excess (deficiency) of revenues					
Over (under) expenditures	\$ -	\$ -	\$ -	\$ -	-

WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit E-1a

COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES - BUDGETARY BASIS

	Title II, Part A	Title III	Preschool Program Aid	NJ EIF Safety Grant Program	Sub-totals 2015
REVENUES					
State sources			\$ 513,592	\$ 7,508	\$ 521,100
Federal sources	66,277	23,647			89,924
TOTAL REVENUES	<u>66,277</u>	<u>23,647</u>	<u>513,592</u>	<u>7,508</u>	<u>611,024</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	52,390		329,209		381,599
Other salaries for instruction			94,759		94,759
Personal services - salaries					-
Purchased professional and technical services					-
Tuition					-
General supplies		23,647	17,166		40,813
Other purchased services					-
Other objects					-
Total instruction	<u>52,390</u>	<u>23,647</u>	<u>441,134</u>	<u>-</u>	<u>517,171</u>
Support services:					
Salaries of supervisors of instruction					-
Salaries of program directors			37,889		37,889
Salaries of other professional staff					-
Salaries of sec. and clerical assist.			13,280		13,280
Personal services - salaries					-
Other salaries			12,000		12,000
Personal services - employee benefits	13,887		2,879		16,766
Plant operations and maintenance				7,508	7,508
Purchased professional - technical services					-
Purchased professional - educational services					-
Rentals			6,410		6,410
Purchased property services					-
Supplies & materials					-
Total support services	<u>13,887</u>	<u>-</u>	<u>72,458</u>	<u>7,508</u>	<u>93,853</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	-			-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools					
					-
TOTAL EXPENDITURES	<u>66,277</u>	<u>23,647</u>	<u>513,592</u>	<u>7,508</u>	<u>611,024</u>
Other financing sources:					
Transfer in from general fund					-
Contribution to Whole School Reform	-	-	-	-	-
Total outflows	<u>66,277</u>	<u>23,647</u>	<u>513,592</u>	<u>7,508</u>	<u>611,024</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit E-2

SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES - BUDGETARY BASIS

EXPENDITURES	Budgeted	Actual	Variance
Instruction:			
Salaries of teachers	\$ 378,500	\$ 329,209	\$ 49,291
Other salaries for instruction	114,763	94,759	20,004
Other purchased services (400-500 series)			-
Tuition to other LEAs within State			-
General supplies	17,300	17,166	134
Textbooks			-
Other objects			-
Total instruction	510,563	441,134	69,429
Support services:			
Salaries of supervisors of instruction			-
Salaries of program directors	37,889	37,889	-
Salaries of other professional staff			-
Salaries of secr. and clerical assistants	13,280	13,280	-
Other salaries	12,000	12,000	-
Salaries of community parent involvement specialists			-
Salaries of master teachers			-
Personal services - employee benefits	2,879	2,879	-
Purchased professional - educational services			-
Other purchased professional education - services			-
Rentals	7,400	6,410	990
Contr. transportation service (betw. home & sch.)			-
Contr. transportation service (field trips)			-
Travel			-
Supplies & materials			-
Total support services	73,448	72,458	990
TOTAL EXPENDITURES	\$ 584,011	\$ 513,592	\$ 70,419

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2014-15 Preschool Education Aid Allocation	\$ 578,756
Add: Actual ECPA Carryover (June 30, 2014)	16,744
Add: Budgeted Transfer from the General Fund 2014-15	-
Total Preschool Education Aid Funds Available for 2014-15 Budget	595,500
Less: 2014-15 Budgeted Preschool Education Aid (Including prior year budget carryover)	(584,011)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	11,489
Add: Prior Year Unexpended Encumbrance	-
Add: June 30, 2015 Unexpended Preschool Education Aid	70,419
2014-15 Actual Carryover - Preschool Education Aid/ Preschool	\$ 81,908
2014-15 Preschool Education Aid Carryover Budgeted in 2015-16	\$ 6,233

See independent auditor's report and notes to the financial statements

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**WEEHAWKEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit F-1

SUMMARY STATEMENT OF PROJECT EXPENDITURES

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations At June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various School Improvements	12/17/2002	\$ 9,407,200	\$ 9,302,043	\$ 13,727	\$ 91,430
Various School Improvements	3/19/2008	7,500,000	7,481,282	18,718	-
Totals		<u>\$ 16,907,200</u>	<u>\$ 16,783,325</u>	<u>\$ 32,445</u>	<u>\$ 91,430</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit F-2

**SUMMARY SCHEDULE REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS**

REVENUES AND OTHER FINANCING SOURCES

Bond proceeds	\$	-
Other sources		-
TOTAL REVENUES AND OTHER FINANCING SOURCES		-

EXPENDITURES AND OTHER FINANCING USES

Other purchased professional and technical services		4,645
Construction services		27,800
TOTAL EXPENDITURES AND OTHER FINANCING USES		32,445
Excess (deficiency) of revenues over (under) expenditures		(32,445)
Fund balance - beginning		123,875
Fund balance - ending		\$ 91,430

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 VARIOUS SCHOOL IMPROVEMENTS - 12/17/2002
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit F-2a

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State sources - SCC Grant	\$ 3,548,899	\$ -	\$ 3,548,899	\$ 3,548,899
Bond proceeds and transfers	5,858,000		5,858,000	5,858,000
Other sources	301		301	301
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>9,407,200</u>	<u>-</u>	<u>9,407,200</u>	<u>9,407,200</u>
EXPENDITURES AND OTHER FINANCING USES				
Other professional and technical services	927,380	4,675	932,055	995,363
Construction services	8,373,123	9,052	8,382,175	8,285,837
Legal services	1,540		1,540	126,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>9,302,043</u>	<u>13,727</u>	<u>9,315,770</u>	<u>9,407,200</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 105,157</u>	<u>\$ (13,727)</u>	<u>\$ 91,430</u>	<u>\$ -</u>

Additional project information:

Project Number	5580-050-03-0457
	5580-050-03-0458
	5580-050-03-0459
Grant date	12/20/02
Bond authorization date	07/09/04
Bonds authorized	\$ 5,858,000.00
Bonds issued	\$ 5,858,000.00
Original authorized cost	\$ 9,471,513.00
Additional authorized cost	\$ -
Revised authorized cost	\$ 9,471,513.00
Percentage increase over original Authorized cost	0%
Percentage completion	100%
Original target completion date	01/01/05
Revised target completion date	06/30/07

WEEHAWKEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 VARIOUS SCHOOL IMPROVEMENTS - 03/19/2008
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit F-2b

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Note Proceeds			-	
Bond Proceeds Receivable			-	
Bond proceeds and transfers	7,500,000		7,500,000	7,500,000
Other sources			-	
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>7,500,000</u>	<u>-</u>	<u>7,500,000</u>	<u>7,500,000</u>
EXPENDITURES AND OTHER FINANCING USES				
Other professional and technical services	1,284,372		1,284,372	773,905
Construction services	6,129,875	18,718	6,148,593	6,637,580
Legal services	67,035		67,035	88,515
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>7,481,282</u>	<u>18,718</u>	<u>7,500,000</u>	<u>7,500,000</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 18,718</u>	<u>\$ (18,718)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	5580-050-08-2000
	5580-070-08-1000
	5580-080-08-1000
Grant date	N/A
Bond authorization date	03/19/2008
Bonds authorized	\$ 7,500,000.00
Bonds issued	\$ 7,500,000.00
Original authorized cost	\$ 7,500,000.00
Additional authorized cost	\$ -
Revised authorized cost	\$ 7,500,000.00
Percentage increase over original Authorized cost	0%
Percentage completion	100%
Original target completion date	12/31/2009
Revised target completion date	12/31/2011

PROPRIETARY FUNDS

Proprietary funds are used to account for district activities that are similar to business operations in the private sector. There are two categories of proprietary funds – enterprise and internal service funds.

Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

Extended Care Latchkey Program - This fund provides for the operation of an after school program for all children with the school district who require these services.

Internal service funds are used to account for the financing of goods or services provided by one department or office to other departments or offices of the district board of education, or to other district boards of education and governmental units, on a cost-reimbursement basis.

Internal Service Fund - NON APPLICABLE

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
AT JUNE 30, 2015**

Exhibit G-1

COMBINING STATEMENT OF NET POSITION

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 141,054	\$ 580,237	\$ 721,291
Accounts receivable:			
Federal	17,766		17,766
State	361		361
Inventories	6,706		6,706
Total current assets	<u>165,887</u>	<u>580,237</u>	<u>746,124</u>
Noncurrent assets:			
Furniture, machinery & equipment	88,973		88,973
Less accumulated depreciation	<u>(53,735)</u>		<u>(53,735)</u>
Total noncurrent assets	<u>35,238</u>	<u>-</u>	<u>35,238</u>
 TOTAL ASSETS	 <u>\$ 201,125</u>	 <u>\$ 580,237</u>	 <u>\$ 781,362</u>
 LIABILITIES AND NET POSITION			
Liabilities			
Current liabilities:			
Due to Federal For Over-Claimed Snacks	\$ 6,656		\$ 6,656
Accounts payable	22,441		22,441
Total current liabilities	<u>29,097</u>	<u>-</u>	<u>29,097</u>
Total liabilities	<u>29,097</u>	<u>-</u>	<u>29,097</u>
Net position			
Invested in capital assets net of related debt	35,238		35,238
Unrestricted	136,790	580,237	717,027
Total net position	<u>172,028</u>	<u>580,237</u>	<u>752,265</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 201,125</u>	 <u>\$ 580,237</u>	 <u>\$ 781,362</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Food Service	Latchkey Program	Total Enterprise
Operating revenues			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 114,361	\$ -	\$ 114,361
Community service activities		204,503	204,503
Total operating revenues	114,361	204,503	318,864
Operating expenses			
Cost of sales	202,444		202,444
Salaries	109,312	112,986	222,298
Payroll taxes/ employee benefits	35,488		35,488
Repairs and maintenance	3,043		3,043
Administration Fees	37,364		37,364
General supplies	23,482	4,121	27,603
Depreciation	5,873		5,873
Total operating expenses	417,006	117,107	534,113
Operating income (loss)	(302,645)	87,396	(215,249)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,871		5,871
Federal sources:			
National school lunch program	255,082		255,082
Food distribution program	34,815		34,815
Net adjustment to fixed assets resulting from fixed assets inventory	5,930		
Total nonoperating revenues (expenses)	301,698	-	295,768
Change in net position	(947)	87,396	80,519
Net position—beginning	172,975	492,841	665,816
Net position—ending	\$ 172,028	\$ 580,237	\$ 746,335

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit G-3

COMBINING STATEMENT OF CASH FLOWS

	Food Service	Latchkey Program	Total Enterprise
Cash flows from operating activities			
Receipts from customers	\$ 114,361	\$ 204,503	\$ 318,864
Payments to employees	(110,774)	(112,986)	(223,760)
Payments for payroll taxes/ employee benefits	(23,702)		(23,702)
Payments to suppliers	(233,738)	(4,331)	(238,069)
Net cash provided by (used for) operating activities	(253,853)	87,186	(166,667)
Cash flows from noncapital financing activities			
State Sources	5,866		5,866
Federal Sources	261,373		261,373
Net cash provided by (used for) non-capital financing activities	267,239	-	267,239
Net increase (decrease) in cash and cash equivalents	13,386	87,186	100,572
Balances—beginning of year	127,668	493,051	620,719
Balances—end of year	\$ 141,054	\$ 580,237	\$ 721,291
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (302,645)	\$ 87,396	\$ (215,249)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,873		5,873
Food Distribution Program	34,815		34,815
(Increase) decrease in accounts receivable, net			-
(Increase) decrease in inventories	(915)		(915)
Increase (decrease) in accounts payable	9,019	(210)	8,809
Total adjustments	48,792	(210)	48,582
Net cash provided by (used for) operating activities	\$ (253,853)	\$ 87,186	\$ (166,667)

FIDUCIARY FUNDS

Fiduciary funds report assets that are held in a trustee or agency capacity for the external parties and that cannot be used to support the government's own programs.

Trust and agency funds are used to account for resources held and administered by a school district when it acts in a fiduciary capacity. Trust funds are used to account for assets held by the district as an agent for individuals or other funds.

**Scholarship Trust Fund -
(Louis Ferullo Scholarship)**

This is an expendable trust fund used to account for asset held by the district for grants to students where there are no restrictions regarding the use of principal and income.

**Nonexpendable Trust Fund -
(McGowan Award)**

This is a scholarship fund used to account for assets held by the district under the terms of a formal trust agreement, whereby the district is under the obligation to maintain the trust principal.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund -

This agency fund is used to account for student funds held at the schools.

Payroll Fund -

This agency fund is used to account for payroll transactions of the school district.

**WEEHAWKEN BOARD OF EDUCATION
FIDUCIARY FUNDS
AT JUNE 30, 2015**

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>	<u>Agency</u>		<u>Total</u>
	Louis Ferullo Scholarship Fund	McGowan Award Scholarship Fund	Student Activity	Payroll	2015
ASSETS					
Cash and cash equivalents	\$ 8,092	\$ 1,000	\$ 52,303	\$ 21,148	\$ 82,543
Due from general fund			-		-
TOTAL ASSETS	<u>8,092</u>	<u>1,000</u>	<u>52,303</u>	<u>21,148</u>	<u>82,543</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Payroll deductions and withholdings	-	-	-	2,240	2,240
Due to general fund				18,908	18,908
Due to student groups	-	-	52,303		52,303
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>52,303</u>	<u>21,148</u>	<u>73,451</u>
Net position:					
Reserved - principal portion					
Nonexpendable trust		1,000	-	-	1,000
Unreserved	8,092		-	-	8,092
TOTAL NET POSITION	<u>8,092</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>9,092</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 8,092</u>	<u>\$ 1,000</u>	<u>\$ 52,303</u>	<u>\$ 21,148</u>	<u>\$ 82,543</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
NONEXPENDABLE TRUST FUND - SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit H-2(A)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>McGowan Award Scholarship Fund</u>
Net position - beginning of the year	\$ 1,000
Net position - end of the year	<u>\$ 1,000</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
EXPENDABLE TRUST FUNDS - SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit H-2 (B)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Louis Ferullo Scholarship Fund
Additions	
Investment earnings:	
Interest on investments	\$ 5
Total additions	5
Deductions	
Transfer to HS activities fund	1,000
Expenditures	
Total deductions	1,000
Change in net position	(995)
Net position - beginning of the year	9,087
Net position - end of the year	\$ 8,092

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance At June 30, 2014	Cash Receipts	Cash Disbursements	Balance At June 30, 2015
Elementary school:				
Roosevelt	\$ 7,078	\$ 1,424	\$ 169	\$ 8,333
Webster	5,703	10,479	8,394	7,788
Total elementary school	12,781	11,903	8,563	16,121
High school:				
Weehawken high school				
General activity fund	28,678	123,514	116,010	36,182
Total high school	28,678	123,514	116,010	36,182
Total cash and cash equivalents	\$ 41,459	\$ 135,417	\$ 124,573	\$ 52,303

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit H-4

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

	Balance, At June 30, 2014	Additions	Deletions	Balance, At June 30, 2015
ASSETS				
Cash and cash equivalents	\$ 19,616	\$ 13,492,495	\$ 13,490,963	\$ 21,148
Due from general fund	-	-	-	-
TOTAL ASSETS	\$ 19,616	\$ 13,492,495	\$ 13,490,963	\$ 21,148
 LIABILITIES				
Net payroll	\$ -	\$ 7,271,572	\$ 7,271,572	\$ -
Payroll deductions and withholdings	3,058	6,212,533	6,213,351	2,240
Interfund payable - general fund	16,558	8,390	6,040	18,908
TOTAL LIABILITIES	\$ 19,616	\$ 13,492,495	\$ 13,490,963	\$ 21,148

See independent auditor's report and notes to the financial statements

LONG-TERM DEBT

Long-term debt is used to record the outstanding principal balances of the general long-term liabilities of the school district.

This includes serial bonds outstanding, loans outstanding, and the outstanding principal balance on capital leases, and activity for debt service of the school district.

WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Exhibit I-1a

SCHEDULE OF SERIAL BONDS

Issue	Date of Issue	Amount of Issue	Annual Maturates		Interest Rate (%)	Balance At June 30, 2014	Issued	Retired	Balance At June 30, 2015
			Date	Amount					
Pension Bonds Series 2003	07/15/03	2,060,000	04/15/16	115,000	5.850%	\$ 1,125,000	\$ -	\$ 110,000	\$ 1,015,000
			04/15/17	125,000	5.850%				
			04/15/18	130,000	5.850%				
			04/15/19	140,000	5.850%				
			04/15/20	150,000	5.850%				
			04/15/21	160,000	5.850%				
			04/15/22	60,000	5.850%				
			04/15/23	65,000	5.850%				
			04/15/24	70,000	5.850%				
General Improvements	09/01/08	7,500,000	09/01/15	300,000	3.500%	6,500,000		250,000	6,250,000
			09/01/16	300,000	3.600%				
			09/1/2017-19	300,000	4.000%				
			09/01/20-21	450,000	4.000%				
			09/01/22	450,000	4.050%				
			09/01/23	450,000	4.150%				
			09/01/24	450,000	4.200%				
			09/01/25-26	500,000	4.250%				
			09/01/27	500,000	4.300%				
			09/01/28-29	500,000	4.350%				
2013 Refunding G.O. Bonds 2003	10/30/13	3,500,000	07/15/15	305,000	2.000%	3,500,000		280,000	3,220,000
			07/15/16	320,000	3.000%				
			07/15/17	325,000	4.000%				
			07/15/18	345,000	4.000%				
			07/15/19	360,000	4.000%				
			07/15/20	370,000	3.000%				
			07/15/21	385,000	4.000%				
			07/15/22	400,000	3.000%				
			07/15/23	410,000	3.000%				

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SCHEDULE OF OLBIGATIONS UNDER CAPITAL LEASES

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest Rate</u>	<u>Balance At June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance At June 30, 2015</u>
2012 School Bus	08/15/11	5 Years	81,263	3.14%	\$ 32,997		\$ 16,236	\$ 16,761
2013 School Bus	06/30/12	5 Years	88,202	2.62%	53,097		17,076	36,021
2014 School Bus	09/27/13	5 Years	90,223	2.51%	71,266		\$ 17,155	54,111
2015 School Bus	09/18/14	5 Years	79,363	2.38%		79,363	16,628	62,735
					<u>\$ 157,360</u>	<u>\$ 79,363</u>	<u>\$ 67,095</u>	<u>\$ 169,628</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit I-3

DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES					
Local sources:					
Local tax levy	\$ 945,790		\$ 945,790	\$ 945,790	\$ -
Debt service aid type II	153,935		153,935	153,935	-
Capital reserve	-		-	-	-
TOTAL REVENUES	<u>1,099,725</u>	<u>-</u>	<u>1,099,725</u>	<u>1,099,725</u>	<u>-</u>
EXPENDITURES					
Regular debt service:					
Interest	393,931	-	393,931	393,931	-
Redemption of interest - early retirement bonds	175,813	(110,000)	65,813	65,813	-
Redemption of principal	530,000	110,000	640,000	640,000	-
Total regular debt service	<u>1,099,744</u>	<u>-</u>	<u>1,099,744</u>	<u>1,099,744</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,099,744</u>	<u>-</u>	<u>1,099,744</u>	<u>1,099,744</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(19)		(19)	(19)	-
Other financing sources:					
Operating transfers in:					
Interest earned in capital projects fund				12	12
Premium on refinance				-	-
	-	-	-	<u>12</u>	<u>12</u>
Operating transfers out:					
Cost of issuance					-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(19)	-	(19)	(7)	12
Fund balance, July 1	-	-	-	76,025	76,025
Fund balance, June 30	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ 76,018</u>	<u>\$ 76,037</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Budgeted fund balance		<u>\$ -</u>			<u>\$ -</u>

STATISTICAL SECTION
(unaudited)

WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Exhibit J-1

NET POSITION BY COMPONENT

	Fiscal Year Ending June 30,				
	2015	2014	2013	2012	2011
Governmental activities:					
Invested in capital assets, net of related debt	\$ 876,701	\$ 1,110,407	\$ 1,248,632	\$ 1,462,623	\$ 1,705,112
Restricted	1,992,899	2,163,747	2,416,800	964,354	986,230
Unrestricted	<u>(5,210,050)</u>	<u>(1,236,479)</u>	<u>(1,368,190)</u>	<u>(258,248)</u>	<u>(998,470)</u>
Total governmental activities net position	<u>\$ (2,340,450)</u>	<u>\$ 2,037,675</u>	<u>\$ 2,297,242</u>	<u>\$ 2,168,729</u>	<u>\$ 1,692,872</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 35,238	\$ 35,181	\$ 40,514	\$ 45,841	\$ 51,178
Restricted	-	-	-	-	-
Unrestricted	<u>717,027</u>	<u>630,635</u>	<u>508,451</u>	<u>394,850</u>	<u>296,606</u>
Total business-type activities net position	<u>\$ 752,265</u>	<u>\$ 665,816</u>	<u>\$ 548,965</u>	<u>\$ 440,691</u>	<u>\$ 347,784</u>
District-wide:					
Invested in capital assets, net of related debt	\$ 911,939	\$ 1,145,588	\$ 1,289,146	\$ 1,508,464	\$ 1,756,290
Restricted	1,992,899	2,163,747	2,416,800	964,354	1,026,787
Unrestricted	<u>(4,493,023)</u>	<u>(605,844)</u>	<u>(859,739)</u>	<u>136,602</u>	<u>(742,421)</u>
Total district net position	<u>\$ (1,588,185)</u>	<u>\$ 2,703,491</u>	<u>\$ 2,846,207</u>	<u>\$ 2,609,420</u>	<u>\$ 2,040,656</u>

**WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit J-2

CHANGES IN NET POSITION

	Fiscal Year Ending June 30,				
	2015	2014	2013	2012	2011
DISTRICT EXPENSES					
Governmental activities:					
Instruction:					
Regular	\$ 12,317,434	\$ 10,602,822	\$ 10,437,006	\$ 10,249,611	\$ 10,289,935
Special education	1,645,319	1,440,259	1,416,314	1,193,753	1,214,870
Other special education	258,456	269,678	265,087	246,460	291,271
Other instruction	714,741	640,955	731,991	604,017	491,201
Support Services:					
Tuition	2,985,446	2,766,054	2,683,755	2,384,574	2,119,925
Student & instruction related services	3,107,519	2,806,067	2,717,492	2,517,644	2,619,939
School administrative services	1,128,748	905,185	1,009,070	942,634	953,001
General and business administrative services	1,199,791	1,215,267	1,356,344	1,251,582	1,235,750
Central services	500,856	504,428	504,209	483,829	457,600
Plant operations and maintenance	2,253,858	2,264,706	2,227,973	1,843,163	1,825,255
Pupil transportation	1,362,554	1,331,296	1,280,624	1,243,145	1,094,354
Charter schools	118,305	101,212	132,360	157,107	159,959
Special education job funds				72,364	35,440
Interest on long-term debt	459,744	417,270	515,755	545,352	573,549
Capital reserve transfer to debt service					
Capital outlay - not capitalized	30,709	36,309	30,708	29,249	83,873
Unallocated depreciation	89,734	99,982	96,733	91,397	144,419
Total governmental activities expenses	<u>28,173,214</u>	<u>25,401,490</u>	<u>25,405,421</u>	<u>23,855,881</u>	<u>23,590,341</u>
Business-type activities:					
Food service	417,006	405,194	388,929	364,676	343,918
Latchkey program	117,107	94,263	81,268	71,454	55,225
Total business-type activities expense	<u>534,113</u>	<u>499,457</u>	<u>470,197</u>	<u>436,130</u>	<u>399,143</u>
TOTAL DISTRICT EXPENSES	<u>\$ 28,707,327</u>	<u>\$ 25,900,947</u>	<u>\$ 25,875,618</u>	<u>\$ 24,292,011</u>	<u>\$ 23,989,484</u>
DISTRICT PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
Instruction (tuition)	\$ 113,038	\$ 138,138	\$ 99,343	\$ 148,151	\$ 65,523
Pupil transportation					-
Central and other support services					-
Operating grants and contributions	8,647,033	5,893,223	6,410,997	5,893,315	5,573,243
Capital grants and contributions					-
Total governmental activities program revenues	<u>8,760,071</u>	<u>6,031,361</u>	<u>6,510,340</u>	<u>6,041,466</u>	<u>5,638,766</u>
Business-type activities:					
Charges for services:					
Food service	114,361	112,312	109,411	99,526	104,099
Child care	204,503	192,074	181,881	164,227	131,929
Operating grants and contributions	295,768	311,922	287,179	265,284	265,909
Capital grants and contributions					-
Total business type activities program revenues	<u>614,632</u>	<u>616,308</u>	<u>578,471</u>	<u>529,037</u>	<u>501,937</u>
TOTAL DISTRICT PROGRAM REVENUES	<u>\$ 9,374,703</u>	<u>\$ 6,647,669</u>	<u>\$ 7,088,811</u>	<u>\$ 6,570,503</u>	<u>\$ 6,140,703</u>
DISTRICT NET (EXPENSES) / REVENUES					
Governmental activities	\$ (19,413,143)	\$ (19,370,129)	\$ (18,895,081)	\$ (17,814,415)	\$ (17,951,575)
Business-type activities	80,519	116,851	108,274	92,907	102,794
TOTAL DISTRICT NET (EXPENSES) / REVENUES	<u>\$ (19,332,624)</u>	<u>\$ (19,253,278)</u>	<u>\$ (18,786,807)</u>	<u>\$ (17,721,508)</u>	<u>\$ (17,848,781)</u>

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit J-2

CHANGES IN NET POSITION

	Fiscal Year Ending June 30,				
	2015	2014	2013	2012	2011
DISTRICT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 17,904,821	\$ 17,475,315	\$ 17,045,145	\$ 16,661,907	\$ 16,039,198
Revenue from local gov't allocated to capital reserve					
Taxes levied for debt service	945,790	1,158,420	1,169,078	1,151,861	1,102,260
Tuition charges					
Federal and state aid budget vs. GAAP	(2,429)	25,566	13,363	(50,312)	101,545
Miscellaneous income	132,774	271,414	718,533	474,658	453,718
Capital grant - capital project					
Special item - adjustments	131,964	171,475	77,456	52,135	180,581
Transfers	12	8,372	19	23	565
Total governmental activities	<u>19,112,932</u>	<u>19,110,562</u>	<u>19,023,594</u>	<u>18,290,272</u>	<u>17,877,867</u>
Business-type activities:					
Special item -adjustments fixed assets	5,930				55,183
Investment earnings	-	-	-		
Transfers	-	-	-		
Total business-type activities	<u>5,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,183</u>
TOTAL DISTRICT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u><u>\$ 19,118,862</u></u>	<u><u>\$ 19,110,562</u></u>	<u><u>\$ 19,023,594</u></u>	<u><u>\$ 18,290,272</u></u>	<u><u>\$ 17,933,050</u></u>
DISTRICT CHANGES IN NET POSITION					
Governmental activities	\$ (300,211)	\$ (259,567)	\$ 128,513	\$ 475,857	\$ (73,708)
Business-type activities	86,449	116,851	108,274	92,907	157,977
TOTAL DISTRICT CHANGES IN NET POSITION	<u><u>\$ (213,762)</u></u>	<u><u>\$ (142,716)</u></u>	<u><u>\$ 236,787</u></u>	<u><u>\$ 568,764</u></u>	<u><u>\$ 84,269</u></u>

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
 LAST FIVE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Exhibit J-3

FUND BALANCES - GOVERNMENTAL FUNDS

	Fiscal Year Ending June 30,				
	2015	2014	2013	2012	2011
GENERAL FUND					
Restricted, committed, & assigned	\$ 1,825,451	\$ 1,963,847	\$ 2,272,996	\$ 1,220,997	\$ 1,287,579
Unassigned	330,042	251,556	212,591	221,574	174,223
TOTAL GENERAL FUND	\$ 2,155,493	\$ 2,215,403	\$ 2,485,587	\$ 1,442,571	\$ 1,461,802
ALL OTHER GOVERNMENTAL FUNDS					
Restricted, committed, & assigned		\$ 19	\$ 7,873	\$ 5,996	\$ 108,802
Unassigned:					
Special revenue fund	(57,890)	(54,702)	(53,550)	(33,127)	(52,005)
Capital projects fund	91,430	123,875	135,912	153,770	154,275
Debt service fund	76,018	76,006	19	23	567
Permanent fund					-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 109,558	\$ 145,198	\$ 90,254	\$ 126,662	\$ 211,639

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Exhibit J-4

CHANGES IN FUND BALANCES - GOVERNMENTAL FUND

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Tax levy	\$ 18,850,611	\$ 18,633,735	\$ 18,214,223	\$ 17,813,768	\$ 17,141,458	\$ 16,208,139	\$ 15,903,067	\$ 15,180,906	\$ 14,139,174	\$ 12,516,769
Capital reserve transfer						285,000				
Tuition charges	113,038	138,138	99,343	148,151	65,523	46,970	26,118	26,550	18,100	15,350
Miscellaneous	132,774	271,414	718,533	474,658	453,718	402,025	720,094	434,616	614,153	1,678,391
State sources	5,531,743	5,225,174	5,527,081	4,880,792	4,332,989	4,909,913	4,782,183	5,727,499	5,271,818	4,722,464
Federal sources	989,658	695,185	895,709	978,685	1,341,799	1,100,734	923,596	891,262	991,956	1,026,235
TOTAL REVENUES	25,617,824	24,963,646	25,454,889	24,296,054	23,335,487	22,952,781	22,355,058	22,260,833	21,035,201	19,959,209
EXPENDITURES										
Instruction:										
Regular instruction	7,872,082	7,554,994	7,401,632	7,405,665	7,661,246	7,694,057	7,801,906	7,376,369	7,316,545	7,137,789
Special education instruction	970,406	978,165	956,327	828,175	862,797	932,074	936,020	770,224	758,990	727,540
Other special instruction	152,457	184,478	180,942	172,382	206,883	211,228	198,104	228,583	220,478	208,822
Other instruction	468,451	469,370	525,699	451,572	371,743	411,519	419,838	388,384	366,478	370,969
Community service programs						10,000	10,000	10,000	10,000	10,378
Support services:										
Tuition	2,985,446	2,766,054	2,683,755	2,384,574	2,119,925	1,859,272	1,871,420	1,551,405	1,424,428	1,317,343
Student & inst. related services	1,984,186	1,870,203	1,814,951	1,731,879	1,827,243	1,868,794	1,694,049	1,575,317	1,433,602	1,468,961
School administrative services	545,782	536,642	582,103	581,556	616,488	566,867	744,550	771,573	751,865	726,726
Other administrative services	853,722	788,932	876,556	805,718	793,223	809,147	770,796	797,441	760,332	808,734
Central services	299,248	344,419	342,887	338,311	322,767	350,199	99,750	87,468	121,056	116,000
Plant operations and maintenance	1,604,641	1,778,190	1,711,528	1,379,427	1,420,923	1,548,923	1,733,794	1,415,556	1,357,898	1,319,132
Pupil transportation	1,097,318	1,145,258	1,117,450	1,089,459	959,545	1,039,880	1,043,841	923,168	851,139	769,643
Employee benefits	5,523,069	5,343,299	5,400,321	4,833,617	4,499,454	4,219,049	3,876,341	4,717,015	4,599,295	3,703,678
Transfer to charter schools	118,305	101,212	132,360		157,107	159,959	168,248	163,356	144,477	158,030
Special education jobs fund				72,364	35,440					
Debt service:										
Principal	640,000	829,969	812,722	775,583	758,596	486,706	474,952	458,223	446,592	435,022
Interest and other charges	459,744	417,270	515,755	545,352	573,549	744,926	318,199	335,471	351,765	367,323
Capital outlay	138,529	78,803	77,983	128,205	553,382	1,951,050	4,650,114	908,486	48,586	214,646
TOTAL EXPENDITURES	25,713,386	25,187,258	25,132,971	23,680,946	23,743,163	24,871,939	26,840,646	22,478,039	20,963,526	19,860,736
Excess (deficiency) of revenues over (under) expenditures	(95,562)	(223,612)	321,918	615,108	(407,676)	(1,919,158)	(4,485,588)	(217,206)	71,675	98,473
Other financing sources (uses)										
Transfers in	12	57,083	19	23	565	7,887	66,346	7,503,070	4,455	8,805
Transfers out		(48,711)					(115,000)	(184,313)	(120,000)	(120,000)
Total other financing sources (uses)	12	8,372	19	23	565	7,887	(48,654)	7,318,757	(115,545)	(111,195)
Net change in fund balances	\$ (95,550)	\$ (215,240)	\$ 321,937	\$ 615,131	\$ (407,111)	\$ (1,911,271)	\$ (4,534,242)	\$ 7,101,551	\$ (43,870)	\$ (12,722)
Debt service as a percentage of noncapital expenditures	4.30%	4.97%	5.30%	5.61%	5.74%	5.37%	3.57%	3.68%	3.82%	4.08%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-5

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (NJ)

Description	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Funds										
Interest on investments	\$ 234	\$ 207	\$ 227	\$ 166	\$ 2,200	\$ 1,764	\$ 11,213	\$ 43,290	\$ 51,330	\$ 17,561
Use of facilities	1,500	510	445,264	300,000	300,000	300,000	600,000	300,000		
High School gate fees/book fines/ activity account	4,758	6,755	6,883	4,611	4,773	4,960	6,208			
Insurance refunds/ Worker's Comp	17,667	11,403	17,862	16,703	9,536			6,399		1,567
Refunds from vendors/educational institutions /e-rate HCS	101,577	105,953	114,072	93,441	100,206	88,864	97,279	73,628	33,727	105,384
Anti-bullying grant		811								
Special needs teacher reimbursement		83,977								
Cancel prior year accounts payable/py voided checks	1,107	5,742	24,568	23,725	33,317					
Other	5,931	5,014	5,721	36,012	3,686	6,437	5,394	11,299	29,096	31,414
Total miscellaneous	132,774	220,372	614,597	474,658	453,718	402,025	720,094	434,616	114,153	155,926
Revenue from local gov't allocated to capital reserve							285,000			
Capital reserve transfer to debt service						285,000				
Tuition	113,038	51,042	103,936	148,151	65,523	46,970	26,118	26,550	18,100	15,350
Total General Fund other than local revenue	\$ 245,812	\$ 271,414	\$ 718,533	\$ 622,809	\$ 519,241	\$ 733,995	\$ 1,031,212	\$ 461,166	\$ 132,253	\$ 171,276

Source: district records

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-6

ASSESSED VALUE & ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year Ended June 30,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Equalized Valuations
2015	\$ 1,179,925,232	\$ 2,659,246,891	44.37%
2014	1,181,084,193	2,639,452,108	44.75%
2013	1,170,850,850	2,525,748,607	46.36%
2012	1,204,038,935	2,323,054,090	51.83%
2011	1,183,868,735	2,284,138,019	51.83%
2010	1,167,334,040	2,241,424,808	52.08%
2009	1,145,241,240	2,321,591,810	49.33%
2008	1,090,888,140	2,232,224,555	48.87%
2007	1,037,375,723	2,123,159,482	48.86%
2006	1,038,680,734	1,955,515,660	53.12%

Source: Abstract of Ratables, Hudson County Board of Taxation

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-7

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(rate per \$100 of assessed value)

<u>Assessment Year</u>	<u>Weehawken School District</u>	<u>Weehawken Township</u>	<u>Hudson County</u>	<u>Open Space</u>	<u>Special Garbage District</u>	<u>Total</u>
2015	1.5960	2.2450	1.2130	0.0120	0.1850	\$ 5.2510
2014	1.5880	2.1170	1.1700	0.0120	0.1840	5.0710
2013	1.5730	1.9030	1.1650	0.0050	0.1820	4.8280
2012	1.5220	1.8290	0.9740	0.0200	0.1590	4.5040
2011	1.4510	1.7780	0.8930	0.0100	0.1700	4.3020
2010	1.4060	1.6740	0.7830	0.0030	0.1690	4.0350
2009	1.3620	1.6300	0.7800	0.0210	0.1340	3.9270
2008	1.3440	1.3740	0.7650	0.0210	0.1300	3.6340
2007	1.3540	1.2900	0.8320	0.0210	0.1380	3.6350
2006	1.2820	1.1780	0.8620	0.0188	0.0870	3.4278

Source: Weehawken Township Tax Collector

See independent auditor's report and notes to the financial statement

**WEEHAWKEN BOARD OF EDUCATION
CURRENT YEAR AND NINE YEARS AGO**

Exhibit J-8

PRINCIPAL PROPERTY TAXPAYERS

	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
1000 HARBOR BLVD LLC	\$ 80,493,900	1	6.80%	\$ 80,439,900	1	7.74%
HARTZ PW TOWER BLP	53,826,500	2	4.55%	53,619,500	3	5.16%
GLOBAL WEEHAWKEN ACQUISITION	49,250,000	3	4.16%	47,500,000	4	4.57%
PORT IMPERIAL SOUTH 15 LLC	35,600,000	4	3.01%	61,756,100	2	5.95%
RIVER PW HOTEL LIMITED PARTNERSHIP	27,231,996	5	2.30%	33,138,580	5	3.19%
1919 PARK AVE ASSN C/O CITI	23,900,000	6	2.02%			
PORT IMPERIAL SOUTH LLC	23,531,600	7	1.99%			
LS-NJ PORT IMPERIAL LLC	18,100,000	8	1.53%			
UST LENNAR HW SCALA PIS 10 LP	16,997,800	9	1.44%			
1500 HARBOR BOULEVARD LLC	11,760,100	10	0.99%			
HARTZ-PW LIMITED PARTNERSHIP				22,384,700	6	2.16%
HARTZ MOUNTAIN IND INC				24,511,800	7	2.36%
HARTZ MOUNTAIN- PARSIPPANY				20,400,000	8	1.96%
PORT IMPERIAL SOUTH LLC						
RIVER PW HOTEL LIMITED PARTNERSHIP				22,239,920	9	2.14%
TOWER PLAZA ASSOCIATES				10,053,000	10	0.97%
TOTAL	<u>\$ 340,691,896</u>		<u>28.77%</u>	<u>\$ 376,043,500</u>		<u>36.20%</u>

Source: Municipal Tax Assessor

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)

Exhibit J-9

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Tax Levy Collected
2015	\$ 62,017,579	\$ 61,811,306	99.67%
2014	61,352,024	60,635,460	98.83%
2013	57,612,041	57,323,487	99.50%
2012	52,119,924	51,873,546	99.53%
2011	52,127,848	51,698,409	99.18%
2010	46,342,407	45,759,779	98.74%
2009	44,520,498	44,017,578	98.87%
2008	42,156,679	41,597,687	98.67%
2007	37,400,466	36,943,573	98.78%
2006	33,242,974	32,947,964	99.11%

Source: Weehawken Township Tax Collector

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-10

RATIOS OF OUTSTANDING DEBT BY TYPE

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2015	\$ 10,485,000	\$ -	\$ 169,628	\$ -	\$ -	\$ 10,654,628	-	N/A	
2014	11,125,000	-	157,360	\$ -	\$ -	11,282,360	-	N/A	
2013	12,052,969	-	134,906	-	-	12,187,875	0.41%	50,172	
2012	12,865,691	-	165,779	-	-	13,031,470	0.38%	49,978	
2011	13,641,274	-	46,951	-	-	13,688,225	0.36%	49,111	
2010	14,399,870	-	61,081	-	-	14,460,951	0.32%	46,049	
2009	14,886,576	-	178,140	-	-	15,064,716	0.29%	43,694	
2008	7,861,527	-	-	6,000,000	-	13,861,527	0.31%	43,495	
2007	8,319,751	-	31,924	-	-	8,351,675	0.48%	40,192	
2006	8,766,342	-	62,811	-	-	8,829,153	0.43%	37,823	

N/A - Not Available

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

- ^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-11

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

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				
2015	\$ 10,485,000	\$ -		\$ 10,485,000	0.89%	N/A
2014	11,125,000	-		11,125,000	0.94%	N/A
2013	12,052,969	-		12,052,969	1.03%	50,172
2012	12,865,691	-		12,865,691	1.07%	49,978
2011	13,641,274	-		13,641,274	1.15%	49,111
2010	14,399,870	-		14,399,870	1.23%	46,049
2009	14,886,576	-		14,886,576	1.30%	43,694
2008	7,861,527	-		7,861,527	0.72%	43,495
2007	8,319,751	-		8,319,751	0.80%	40,192
2006	8,766,342	-		8,766,342	0.84%	37,823

N/A - Not Available

Notes:

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

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

See independent auditor's report and notes to the financial statements

**WEEHAWKEN BOARD OF EDUCATION
AS OF JUNE 30, 2015**

Exhibit J-12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	Gross Debt	Deductions	Net Debt
Municipal Debt: (1)			
Weehawken School District	\$ 10,485,000	\$ 10,485,000	\$ -
Weehawken Township	116,130,683	53,752,797	62,377,886
	\$ 126,615,683	\$ 64,237,797	\$ 62,377,886
Overlapping Debt:			
County of Hudson (2) - Township's Share (4.54%)			25,558,379
			\$ 87,936,265

Sources:

- (1) Weehawken's Annual Debt Statement - June 30, 2015
- (2) Hudson County Treasurer's Office. The County debt was apportioned to Weehawken Township by dividing the Township's 2014 Equalized Value by the total 2014 Equalized Value for Hudson County, which results in an apportionment rate of 4.41%

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-13

LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2015

	<u>Equalized Valuation Basis</u>
	2014 \$ 2,658,087,930
	2013 2,592,019,018
	2012 2,530,142,098
	<u>[A] \$ 7,780,249,046</u>
Average equalized valuation of taxable property	[A/3] \$ 2,593,416,349
Debt limit (4 % of average equalization value)	[B] 103,736,654 ^a
Total Net Debt Applicable to Limit	[C] 62,377,886
Legal debt margin	<u>[B-C] \$ 41,358,768</u>

	<u>Fiscal Year Ending June 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 103,736,654	\$ 99,804,515	\$ 95,699,435	\$ 91,849,871	\$ 60,840,222	\$ 60,717,552	\$ 89,026,345	\$ 83,079,701	\$ 74,077,687	\$ 63,762,979
Total net debt applicable to limit	<u>10,485,000</u>	<u>11,125,000</u>	<u>12,052,969</u>	<u>12,865,691</u>	<u>13,641,274</u>	<u>14,399,870</u>	<u>14,886,576</u>	<u>7,861,527</u>	<u>8,319,751</u>	<u>8,766,342</u>
Legal debt margin	<u>\$ 93,251,654</u>	<u>\$ 88,679,515</u>	<u>\$ 83,646,466</u>	<u>\$ 78,984,180</u>	<u>\$ 47,198,948</u>	<u>\$ 46,317,682</u>	<u>\$ 74,139,769</u>	<u>\$ 75,218,174</u>	<u>\$ 65,757,936</u>	<u>\$ 54,996,637</u>
Total net debt applicable to the limit as a percentage of debt limit	10.11%	11.15%	12.59%	14.01%	22.42%	23.72%	16.72%	9.46%	11.23%	13.75%

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.

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS
(Unaudited)**

Exhibit J-14

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>School District Population</u>
2015	N/A	N/A	N/A
2014	4.90%	N/A	13,870
2013	9.30%	50,172	13,424
2012	9.30%	49,978	12,943
2011	9.00%	49,111	12,823
2010	11.40%	46,049	12,596
2009	10.70%	43,694	12,379
2008	4.80%	43,495	12,321
2007	5.90%	40,192	12,275
2006	4.10%	37,823	12,471
2005	4.80%	35,338	12,782

* Per capita income for Hudson County

N/A Not Available

(E) Estimate

- Source: (1) NJ Department of Labor, Office of Planning and Research
 (1) NJ Department of Labor, Bureau of Labor Force Statistics
 (2) US Department of Commerce, Bureau of Economic Analysis
 (3) US Bureau of the Census, Population Division

**WEEHAWKEN BOARD OF EDUCATION
DEMOGRAPHIC & ECONOMIC INFORMATION
CURRENT YEAR AND NINE YEARS AGO**

Exhibit J-15

PRINCIPAL EMPLOYERS

Employer	2015			2006		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Marine Personnel & Provisioning Inc.				1,270	1	17.12%
Port Imperial Ferry Corp				700	2	9.44%
Citicorp Data Systems Incorporated				594	3	8.01%
UBS Financial Services	5,000	1	63.87%			
Arcorp Properties	500	2	6.39%			
The Swatch Group US Inc.	440	3	5.62%	350	4	4.72%
New Jersey Department of Transportation	300	4	3.83%	300	6	4.04%
Hartz Mountain Industries Inc.				250	7	3.37%
Ceres Marine Terminals Inc.	200	5	2.55%	200	8	2.70%
Citicorp Information Technologies				150	9	2.02%
Qwest Cyber Solutions				150	10	2.02%
The Port Authority of New York & NJ	110	6	1.41%			
Chart House Restaurant	100	7	1.28%			
Hanover Direct Incorporated	100	8	1.28%	340	5	4.58%
Houlihan's	100	9	1.28%			
Specialists LTD	100	10	1.28%			
Keystone Internet Service	100	11	1.28%			
	<u>7,050</u>		<u>90.06%</u>	<u>4,304</u>		<u>58.02%</u>

Source: Hudson County Economic Development Corp.

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-16

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION / PROGRAM

<u>FUNCTION / PROGRAM</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:										
Regular	91	91	89	89	89	89	89	89	90	95
Special education	11	10	10	9	8	8	9	10	10	9
Other special education					-	-	-	-	-	-
Vocational					-	-	0	-	-	-
Other instruction	11	17	17	17	17	17	17	17	17	15
Nonpublic school programs					-	-	0	-	-	-
Adult/continuing education programs					-	-	0	-	-	-
Support Services:										
Student & instruction related services	30	31	31	29	27	33	33	29	30	32
General administration	5	5	5	5	5	5	5	5	5	5
School administrative services	7	7	7	7	7	7	7	7	7	7
Other administrative services	-	1	1	1	1	1	1	1	1	1
Central services	2	2	2	2	3	3	3	3	3	3
Administrative Information Technology					-	-	-	-	-	-
Plant operations and maintenance	12	12	11	11	11	11	11	14	15	15
Pupil transportation	7	9	9	9	9	13	9	10	10	10
Other support services					-	-	-	-	-	-
Special Schools					-	-	-	-	-	-
Food Service					-	-	-	-	-	-
Child Care					-	-	-	-	-	-
TOTAL FUNCTION / PROGRAM	<u>176</u>	<u>185</u>	<u>182</u>	<u>179</u>	<u>177</u>	<u>187</u>	<u>184</u>	<u>185</u>	<u>188</u>	<u>192</u>

Source: District Personnel Records

**WEEHAWKEN BOARD OF EDUCATION
OPERATING INFORMATION
LAST TEN FISCAL YEARS**

Exhibit J-17

OPERATING STATISTICS

Fiscal Year	Enrollment		Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2015	1,328	\$ 28,173,214	21,215	0.09	113	13.41	12.67	10.20	1,328	1,261	1.45%	94.95%
2014	1,309	25,401,490	19,405	(0.04)	118	13.72	13.25	9.62	1,309	1,236	4.05%	94.42%
2013	1,258	25,405,421	20,195	0.05	115	13.05	12.05	9.23	1,258	1,194	1.53%	94.91%
2012	1,239	23,855,881	19,254	0.02	114	8.00	8.80	9.85	1,239	1,183	-0.72%	95.48%
2011	1,248	23,590,341	18,903	0.01	114	12.52	11.23	9.92	1,248	1,177	2.80%	94.31%
2010	1,214	22,646,245	18,654	(0.02)	117	10.97	10.52	9.52	1,214	1,158	3.58%	95.39%
2009	1,172	22,323,397	19,047	0.02	117	10.21	10.10	8.58	1,172	1,116	1.65%	95.22%
2008	1,152	21,453,786	18,623	0.07	116	15.26	11.90	10.37	1,153	1,101	-1.11%	95.49%
2007	1,191	20,743,792	17,417	0.06	117	8.92	13.83	10.78	1,166	1,109	1.04%	95.11%
2006	1,197	19,642,387	16,410	0.22	112	10.19	11.03	10.90	1,154	1,102	-3.91%	95.49%

Sources: District records

Note: Enrollment based on annual October district count.

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

**WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS**

Exhibit J-18

SCHOOL BUILDING INFORMATION

<u>District Building</u>	<u>Fiscal Year Ending June 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Pre-K thru Grade 2</u>										
Daniel Webster (1939)										
Square Feet	50,700	50,700	50,700	50,700	50,700	50,700	50,700	35,431	35,431	35,431
Capacity (students)	281	281	281	281	281	281	281	257	257	257
Enrollment	429	417	405	388	388	384	345	320	332	316
<u>Grade 3 thru Grade 6</u>										
Theodore Roosevelt (1928)										
Square Feet	56,300	56,300	56,300	56,300	56,300	56,300	56,300	39,669	39,669	39,669
Capacity (students)	311	311	311	311	311	311	311	283	283	283
Enrollment	380	397	374	348	348	340	318	306	332	342
<u>Grade 7 thru Grade 12</u>										
Weehawken High School (1939)										
Square Feet	125,600	125,600	125,600	125,600	125,600	125,600	124,000	83,937	83,937	83,937
Capacity (students)	572	572	572	572	572	572	572	546	546	546
Enrollment	520	488	480	512	512	505	517	526	527	539

Number of Schools at June 30, 2014

 Elementary School = 2

 High School = 1

 Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. 2009 Increases in square footage and capacity are the result of new construction.

Capacity of schools are from the Long Range Facilities Plan that were filed by Tri-Tech (an architect/engineering firm) based on State guidelines every 5 years.

The State is coming up with a new filing process by the end of 2015 for fiscal year 2016.

WEEHAWKEN BOARD OF EDUCATION
LAST TEN FISCAL YEARS

Exhibit J-19

SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY

Undistributed Expenditures - Required
Maintenance for School Facilities

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
* School Facilities										
1 Building A - High School	\$ 86,214	\$ 111,630	\$ 84,475	\$ 77,560	\$ 89,298	\$ 113,591	\$ 96,375	\$ 89,897	\$ 132,577	\$ 114,300
2 Building B - Webster School	28,325	48,402	21,945	21,531	34,566	25,489	34,589	31,843	62,520	85,800
5 Building C - Roosevelt School	15,802	27,837	18,013	35,899	13,696	42,725	10,411	18,686	21,818	21,300
Total School Facilities	<u>130,341</u>	<u>187,869</u>	<u>124,433</u>	<u>134,990</u>	<u>137,560</u>	<u>181,805</u>	<u>141,375</u>	<u>140,426</u>	<u>216,915</u>	<u>221,400</u>
Other Facilities - District-wide	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>\$ 130,341</u>	<u>\$ 187,869</u>	<u>\$ 124,433</u>	<u>\$ 134,990</u>	<u>\$ 137,560</u>	<u>\$ 181,805</u>	<u>\$ 141,375</u>	<u>\$ 140,426</u>	<u>\$ 216,915</u>	<u>\$ 221,400</u>

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

See independent auditor's report and notes to the financial statements

WEEHAWKEN BOARD OF EDUCATION
AT JUNE 30, 2015
(Unaudited)

Exhibit J-20

INSURANCE SCHEDULE

	<u>Coverage</u>	<u>Deductible</u>
Property (1)		
Real and personal property	\$ 350,000,000	\$ 5,000
Extra expense	50,000,000	5,000
Flood zones- Special Flood Hazard Area	15,000,000	500,000
All other flood zones	75,000,000	10,000
Earthquake	50,000,000	n/a
Demolition and increased cost of construction	10,000,000	n/a
Fire department service charge	10,000	n/a
Arson reward	10,000	n/a
Pollutant cleanup and removal	250,000	n/a
Valuable papers & records	10,000,000	5,000
General liability (1)		
Bodily injury & property damage, products / completed Operations; personal and advertising injury / sexual abuse	16,000,000	n/a
Employee benefits liability	16,000,000	1,000
Premises medical payments	10,000	n/a
	per accident	
Terrorism	1,000,000	n/a
Business auto (1)		
Combined single limit for bodily injury and property damage	16,000,000	1,000
Uninsured/underinsured motorists - private passenger auto	1,000,000	
Uninsured/underinsured motorists - all other vehicles	15,000	per person
	30,000	per accident
	5,000	per accident
Personal injury protection (including pedestrians)	250,000	
Medical payments	5,000 - 10,000	
Hired car physical damage	110,000	1,000
Crime (1)		
Public employee dishonest with faithful performance	250,000	1,000
Theft, disappearance and destruction-money & securities	25,000	500
Forgery or alteration	250,000	1,000
Theft, disappearance and destruction - money orders & counterfeit & paper currency	100,000	1,000
Computer fraud	25,000	500
Electronic data processing (1)		
Blanket hardware / software	1,160,480	1,000
Coverage extensions:		
Transit	25,000	1,000
Loss of income	10,000	1,000
Boiler & machinery (1)		
Equipment breakdown	100,000,000	5,000
Surety bonds (1)		
Treasurer	250,000	1,000
Board secretary	250,000	1,000
Student accident		
All students incl sports, football K-12	5,000,000	25,000
Accident medical for volunteer workers	25,000	250
School leaders errors and omissions	16,000,000	5,000

(1) New Jersey School Boards Association Insurance Group Serviced by Brown & Brown Metro, Inc.

Source: district records

SINGLE AUDIT SECTION

Exhibit K-1

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

We have audited , in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements (the "financial statements"), and have issued our report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the auditing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Weehawken 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 District'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 over financial reporting 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 been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, and State of New Jersey, which are described in the accompanying schedule of findings and questioned costs as item 2015-001.

We noted certain matters that we reported to the District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated December 16, 2015.

Board of Education of the Weehawken School District Response to Findings

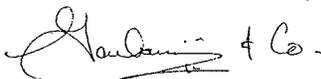
The District response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 2415



Garbarini & Co. P.C. CPAs
Carlstadt, New Jersey

December 16, 2015

Exhibit K-2

**Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by U.S. OMB Circular A-133
and N.J. OMB Circular Letter 04-04**

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey (the "District") compliance with the types of compliance requirements described in the *U.S. OMB Circular A-133 Compliance Supplement* and the *N.J. OMB Circular 04-04 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the District's major federal and 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 and *U.S. OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; and *N.J. OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S OMB Circular A-133 and N.J. OMB Circular 04-04, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001. Our opinion is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and N.J. OMB Circular 04-04, 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 District's internal control over compliance.

A deficiency in internal control over compliance 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 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 a 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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 U.S. OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by N.J. OMB Circular 04-04

We have audited the financial statements of the District as of and for the year ended June 30, 2015 and have issued our report there dated December 16, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 2415



Garbarini & Co. P.C. CPAs
Carlstadt, New Jersey

December 16, 2015

WEEKHAWKEN BOARD OF EDUCATION
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Exhibit K-3
Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Year's Balances	(Accounts Receivable) June 30, 2015	Deferred Revenue	Due to Grantor June 30, 2015
U.S. Department of Agriculture														
Passed-through State Dept. of Agriculture														
<u>Enterprise Fund</u>														
Food Donation Program	10.555	N/A	\$ 34,815	07/01/14	06/30/15	\$ -	\$ -	\$ 34,815	\$ (34,815)	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	N/A	212,935	07/01/14	06/30/15			199,016	(212,935)		(13,919)			
National School Lunch Program	10.555	N/A	227,536	07/01/13	06/30/14	\$ (14,053)		14,053			-			
After School Snack Program	10.555	N/A	12,486	07/01/14	06/30/15			12,003	(5,830)		(483)			6,656
After School Snack Program	10.555	N/A	15,566	07/01/13	06/30/14	(792)		792			-			
National School Breakfast Program	10.553	N/A	36,318	07/01/14	06/30/15			32,954	(36,318)		(3,364)			
National School Breakfast Program	10.553	N/A	32,016	07/01/13	06/30/14	(2,556)		2,556			-			
Total U.S. Department of Agriculture						(17,401)	-	296,189	(289,898)	-	(17,766)	-		6,656
U.S. Department of Education														
Passed-through State Dept. of Education														
<u>Special Revenue Fund</u>														
Title I, Part A	84.010		420,864	09/01/14	08/31/15		122,044	223,954	(542,908)		(196,910)			
Title I, Part A	84.010		427,673	09/01/13	08/31/14	20,879	(122,044)	101,165			-			
Title II Part A, Improving Teacher Quality State Grant	84.367		66,277	09/01/14	08/31/15			36,636	(66,277)		(29,641)			
Title II Part A, Improving Teacher Quality State Grant	84.367		65,220	09/01/13	08/31/14	(21,256)		21,256			-			
Title III English Language Acquisition State Grants	84.365		11,760	09/01/14	08/31/15		11,887	2,418	(23,647)		(9,342)			
Title III English Language Acquisition State Grants	84.365		13,904	09/01/13	08/31/14	(2,017)	(11,887)	13,904			-			
Race to the Top- Phase 111	84.395		37,830	09/01/12	08/31/13	(18,508)		18,508			-			
I.D.E.A. Part B, Basic Regular	84.027		315,811	09/01/14	08/31/15			217,146	(315,811)		(98,665)			
I.D.E.A. Part B, Basic Regular	84.027		290,403	09/01/13	08/31/14	(111,921)		111,921			-			
I.D.E.A. Part B, Preschool	84.173		9,761	09/01/14	08/31/15				(9,761)		(9,761)			
I.D.E.A. Part B, Preschool	84.173		9,635	09/01/13	08/31/14	(9,635)					(9,635)			
Subtotal for I.D.E.A. Cluster						(121,556)		329,067	(325,572)		(118,061)			
Total U.S. Department of Education						(142,458)	-	746,908	(958,404)	-	(353,954)	-		-
U.S. Dept. of Health and Human Services														
Passed-through State Dept. of Education														
<u>General Fund</u>														
Medical Assistance Program	93.778	N/A	20,869	07/01/14	06/30/15			20,869	(20,869)		-			
ARRA-Medical Assistance Program (SEMI)	93.778	N/A	10,385	07/01/14	06/30/15			10,385	(10,385)		-			
Total U.S. Dept. of Health and Human Serv.								31,254	(31,254)		-			
Total Federal Financial Awards						\$ (159,859)	\$ -	\$ 1,074,351	\$ (1,279,556)	\$ -	\$ (371,720)	\$ -	\$ -	\$ 6,656

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

Exhibit K-5

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Weehawken School District (the “District”). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting 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 Note 1 to the District’s basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and N.J. OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$ 759 for the general fund and (\$10,696) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures are reported in the Board’s basic financial statements on a GAAP basis as presented as follow:

	Federal	State	Total
General Fund	\$ 31,254	\$ 3,622,481	\$ 3,653,735
Special Revenue Fund	958,404	513,592	1,471,996
Debt Service Fund		153,935	153,935
Food Service Fund	289,898	5,870	295,768
Total Awards & Financial Assistance	\$ 1,279,556	\$ 4,295,878	\$ 5,575,434

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

Exhibit K-5

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 6. ADJUSTMENTS

Amounts reported in the accompanying financial schedules under the column heading for adjustments represent fiscal year 2014 encumbrances, which were canceled in fiscal year 2015, canceled receivables and or state aid deductions not received in cash, or amounts transferred to General Fund deferred revenue. Canceled encumbrances totaled \$0, canceled receivables totaled \$0, state aid deductions not received in cash totaled \$943,567 and amounts transferred to General Fund revenue totaled \$0.

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

Exhibit K-6

Section I – Summary of Auditor’s Results

Financial Statements

[Reference – Section .510 of Circular OMB-133]

Type of Auditors Report Issued	Unmodified		
Internal Control over Financial Reporting:			
1) Material weakness(s) identified?	Yes	X	No
2) Significant deficiencies identified?	Yes	X	None Reported
Noncompliance material to basic financial statement noted?	Yes	X	No

Federal Awards

Internal Control over major programs:			
1) Material weakness(s) identified	Yes	X	No
2) Significant deficiencies identified?	Yes	X	None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	X	Yes	No

Identification of major programs:

	CFDA Number	Name of Federal Program or Cluster
(Type A)	84.010	Title I, Part A
(Type A)	84.027 / 84.173	I.D.E.A. Cluster
(Type B)	10.553/10.555	National School Lunch/ Breakfast

Dollar threshold used to determine type A and type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee?	Yes	X	No
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**WEEHAWKEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit K-6

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

\$ 300,000

Auditee qualified as low-risk auditee?

X Yes No

Internal Control over Major Programs

1) Material weakness identified

 Yes X No

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

 Yes X None Reported

Type of Auditor’s Report Issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?

 Yes X No

Identification of major programs:

	<u>State Grant/ Project Number</u>	<u>Name of State Program</u>
(Type B)	<u>14-100-034-5120-473</u>	<u>Extraordinary Aid</u>
(Type A)	<u>14-495-034-5120-089</u>	<u>Special Education Aid</u>
(Type A)	<u>14-495-034-5120-084</u>	<u>Security Aid</u>
(Type A)	<u>14-495-034-5120-085</u>	<u>Adjustment Aid</u>
(Type B)	<u>14-495-034-5120-014</u>	<u>Transportation Aid</u>
(Type A)	<u>14-495-034-5095-052</u>	<u>Social Security Tax</u>
(Type A)	<u>14-495-034-5120-025</u>	<u>Preschool Education Aid</u>

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

Exhibit K-6

Section II – 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 for which Government Auditing Standards requires reporting in a Circular A-133 audit. See paragraphs 13.23 and 13.41. See the AICPA Audit Guide *Government Auditing Standards and Circular A-133 Audits* for further guidance on this schedule]

“No matters reported”

Section III – Schedule of Federal and State Award Findings and Questioned Cost

[This section identifies audit findings required to be reported by section 510(a) of Circular A-133 and NJ OMB Circular Letter 04-04 (significant deficiencies, material weaknesses, and material instances of non-compliance, including questioned costs- see paragraph 13.43) as well as abuse findings involving federal awards that is material to a major program (see paragraph 13.44)].

National School Snack Program

10.555

Finding 2015-001:

The district claimed the “at risk rate” for the After School National Snack Program for the months of September 2014 thru April 2015 instead of the “regular rate”, which resulted in an over claim of \$6,656.01.

Criteria or specific requirement

OMB Circular A-133 – Grant Compliance Supplement

Condition and Context:

The district was not aware that the “at risk rate” was no longer applicable and claimed all its snacks as free.

Questioned Costs:

None

Effect:

Snacks claimed as free, reduced and paid did not agree with snack count records resulting in an over claim of \$6,656.01.

Cause:

The food service company listed all meals as free, resulting in incorrect snack counts for free, reduced and paid meals.

Recommendation:

Prior to submitting reimbursement claims to the NJ Department of Agriculture, eligible rates should be verified to ensure that the correct reimbursement is requested.

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

Exhibit K-6

Section III – Schedule of Federal and State Award Findings and Questioned Cost (Continued)

STATE AWARDS

“No matter reported”

**WEEHAWKEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS OF PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit K-7

[This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 (section .315(a)(b)) and NJ OMB's Circular Letter 04-04].

Finding 2014-001 (Title I)

Recommendation:

The district must provide academic services to Title I students that supplement the state/locally funded services. The district must provide a copy of its FY 2014-15 Title I programs in narrative form to the NJ Department of Education for review.

Status:

Corrective action has been taken.

Finding 2014-002 (Title I)

Recommendation:

The District must verify the time and activity of staff charged and a list of Title I funded staff, salaries, funding percentages and appropriate time sheets be maintained.

Status:

Corrective action has been taken

Finding 2014-003 (Title I)

Recommendation:

That the District adopt a parental involvement policy and maintain procedures regarding meetings, documentation and public dissemination of those policies.

Status:

Corrective action has been taken

**WEEHAWKEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS OF PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Exhibit K-7

[This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 (section .315(a)(b)) and NJ OMB's Circular Letter 04-04].

(Continued):

Finding 2014-004 (Title I)

Recommendation:

That the District contacts all nonpublic schools within a 25-mile radius of the District for Weehawken resident nonpublic enrollment and low-income enrollment. The District must maintain documentation of all correspondence, meetings and affirmation of consultation forms. After contacting nonpublic schools that enroll resident students, the District must begin the consultation process with nonpublic schools to identify eligible students and develop a service delivery plan.

Status:

Corrective action has been taken

Finding 2014-005 (IDEA)

Recommendation:

That the district enters into contracts with all agencies or consultants where services are provided and contracts must include a per-service or hourly rate, a not to exceed amount, and must be approved by board resolution.

Status:

Corrective action has been taken