

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**WHITE TOWNSHIP BOARD OF EDUCATION  
WHITE TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by**

**WHITE TOWNSHIP BOARD OF EDUCATION  
DEPARTMENT OF ADMINISTRATION**

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**INTRODUCTORY SECTION**

**WHITE TOWNSHIP BOARD OF EDUCATION****565 C.R. 519****Belvidere, NJ 07863****(908) 475-4773****Michael Slattery  
Superintendent****Dawn Huff  
School Business Administrator**

October 30, 2015

Honorable President and  
Members of the Board of Education of the  
White Township School District  
Warren County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the White Township School District for the fiscal year ending June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report therein. 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 Action of 1996 and the U.S. Office of Management and the Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

The White Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 4. All funds and account groups of the District are included in this report. The White Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 319 students, which is below the

previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight years.

#### **AVERAGE DAILY ENROLLMENT**

<u>FISCAL YEAR</u>	<u>ENROLLMENT</u>
2014-2015	319.0
2013-2014	349.0
2012-2013	335.0
2011-2012	344.9
2010-2011	381.4
2009-2010	407.0
2008-2009	402.0
2007-2008	427.0

Management of the District is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the District are protected from loss, theft, or misuse, and to insure that the adequate accounting data is compiled to allow for the preparation of financial statements in conformity with General Accepted Accounting Principles (GAAP).

As a recipient of federal and state financial assistance, the District is also responsible for insuring that an adequate internal control structure is in place to insure compliance with applicable laws and regulations related to those programs.

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

In addition to internal accounting controls, the District maintains budgetary controls. The object of these budgetary controls is to insure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality.

Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for Capital Improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or 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 on June 30, 2015.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule represents a summary of the general fund, special revenue and debt service fund revenues for the 2014-2015 school year:

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percentage of Increase (Decrease)</u>
REVENUES				
Local Sources:				
Tax Levy:				
General	\$ 6,741,306	69.78%	\$132,182	2.00%
Debt Service	326,587	3.38%	(2,444)	-0.74%
Other Revenues	32,651	0.34%	9,143	38.89%
State Aid	2,408,176	24.93%	82,130	3.53%
Federal Aid	<u>151,704</u>	<u>1.57%</u>	<u>(34,038)</u>	-18.33%
Total	<u>\$ 9,660,424</u>	<u>100.0%</u>	<u>\$ 186,973</u>	1.97%

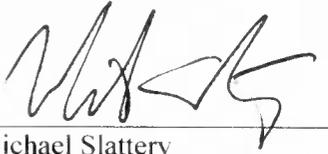
The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ending June 30, 2015 and the percentage of increases and decrease in relation to prior year amounts:

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percentage of Increase (Decrease)</u>
EXPENDITURES				
Current Expense	\$ 9,079,609	94.35%	\$ 787,814	9.50%
Capital Outlay	18,089	0.19%	(291,039)	-94.15%
Special Revenue	151,704	1.58%	(34,038)	-18.33%
Debt Service				
Principal	325,000	3.38%	10,000	3.17%
Interest	<u>49,100</u>	<u>0.51%</u>	<u>(12,800)</u>	-20.68%
Total	<u>\$ 9,623,502</u>	<u>100.00%</u>	<u>\$ 459,937</u>	5.02%

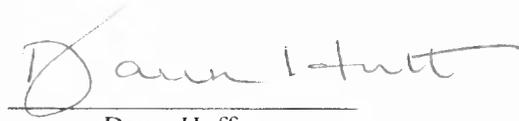
The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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

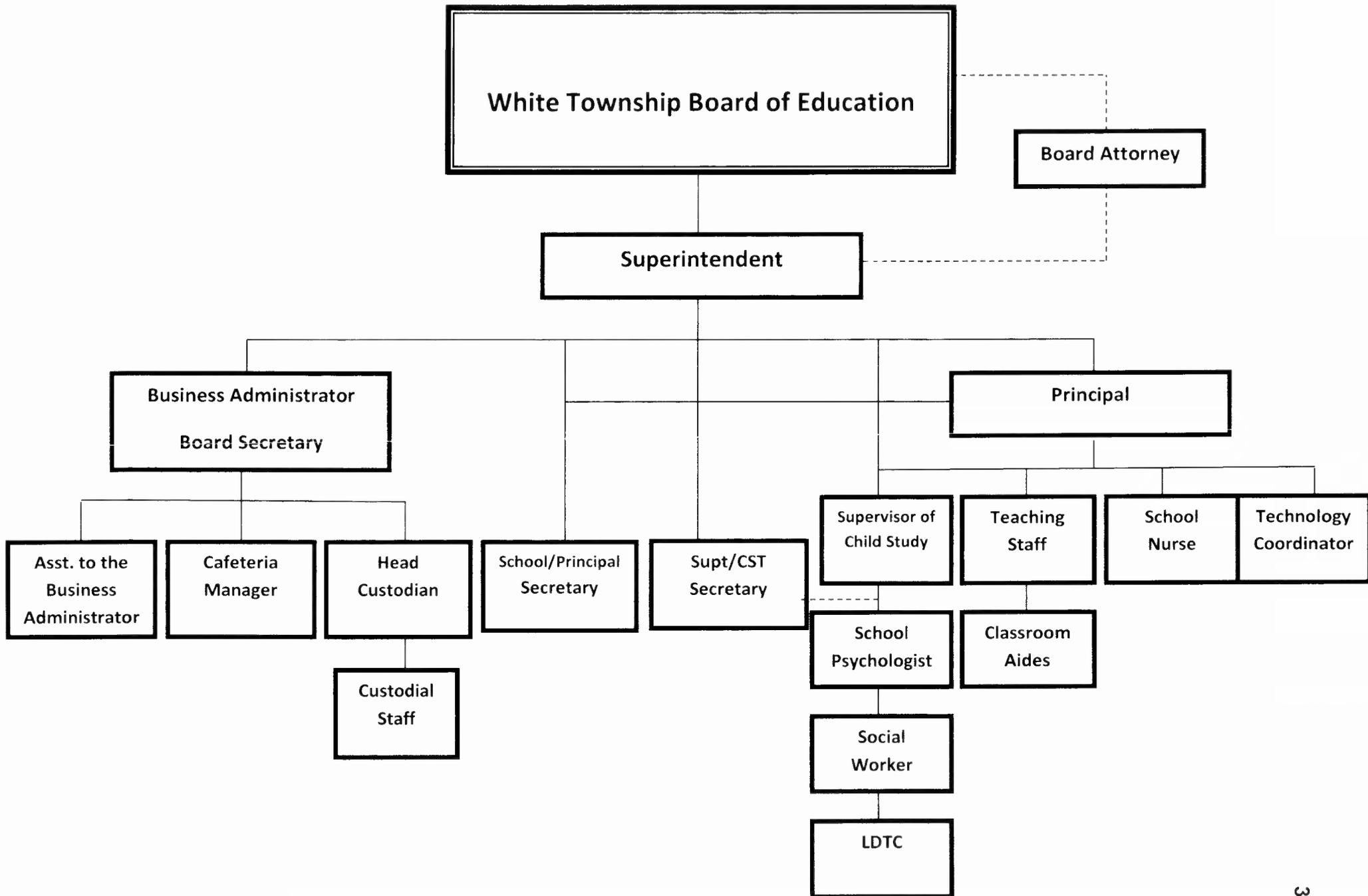
Respectfully submitted,



Michael Slattery  
Superintendent



Dawn Huff  
School Business Administrator/  
Board Secretary



WHITE TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2015

Members of the Board of Education		Term Expires
Tracy Rowe	President	2015
Frank Panetta	Vice-President	2017
Nelson J. Abrams		2017
Mark Boehm		2015
David Rader		2015
Michelle Lee		2016
Catherine Lensi		2017
Kathleen Martowicz		2015
Dorissalba Sroka		2016
Other Officials		
Michael Slattery	Chief School Administrator	
Dawn Huff	Business Administrator / Board Secretary	
Dawn Werkheiser	Principal	
John Comegno	Solicitor	

WHITE TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS

**Audit Firm**

William M. Colantano, Jr., CPA

**Attorney**

John Comegno, Esquire

**Official Depository**

First Hope Bank

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

October 30, 2015

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

We believe 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, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

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

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- In total, net position increased \$291,867 which represents a 7.02 percent increase from 2014.
- General revenues accounted for \$10,191,976 in revenue or 97.65 percent of all revenues. Program specific revenues in the form of charges for services and operating grants were \$245,221 or 2.35 percent of total revenues of \$10,437,197.
- Total assets of governmental activities decreased by \$62,824 as cash and cash equivalents decreased by \$24,144 receivables decreased by \$64,249 and capital assets increased by \$25,569.
- The School District had \$10,216,905 in expenses; only \$245,221 of these expenses were offset by program specific charges for services, grants or contributions. General Revenues (primarily property taxes) of \$10,191,976 were adequate to provide for these programs.
- Among major funds, the General Fund had \$9,134,620 in revenues and \$9,097,698 in expenditures. The General Fund's balance increased \$36,922 over 2014.

**Using this Generally Accepted Principles Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand White Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of White Township School District, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the

**MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 17. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic service it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2015 compared to 2014.

TABLE 1  
NET POSITION

	6/30/2015	6/30/2014	Variance	
			Dollars	Percent
<b>ASSETS</b>				
Current & Other Assets	\$ 2,663,100	\$ 2,630,832	\$ 32,268	1.23%
Capital Assets	4,128,342	4,105,698	22,644	0.55%
Total Assets	<u>6,791,442</u>	<u>6,736,530</u>	<u>54,912</u>	<u>0.82%</u>
<b>LIABILITIES</b>				
Long Term Liabilities	2,252,208	2,509,087	(256,879)	-10.24%
Other Liabilities	87,601	67,677	19,924	29.44%
Total Liabilities	<u>2,339,809</u>	<u>2,576,764</u>	<u>(236,955)</u>	<u>-9.20%</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,063,342	2,715,698	347,644	12.80%
Restricted	1,523,234	1,625,128	(101,894)	-6.27%
Unrestricted	(134,943)	(181,060)	46,117	-25.47%
Total Net Position	<u>\$ 4,451,633</u>	<u>\$ 4,159,766</u>	<u>\$ 291,867</u>	<u>7.02%</u>

Total assets increased by \$54,912. Cash and cash equivalents decreased by \$28,912, receivables and other assets decreased by \$64,724 and capital assets increased by \$22,644 and an increase in deferred pension activity of \$125,904. Unrestricted net assets (the part of net assets that can be used to finance day to day activities without constraints established by grants or legal requirements) of the School District increased by \$46,117 mainly due to excess revenues.

The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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Table 2 shows the changes in net position from fiscal year 2014.

TABLE 2  
CHANGES IN NET POSITION

	6/30/2015	6/30/2014	Variance	
			Dollars	Percent
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 60,477	\$ 76,592	\$ (16,115)	-21.04%
Operating Grants & Contributions	184,744	219,998	(35,254)	-16.02%
Capital Grants & Contributions		155,400	(155,400)	*
General Revenues:				
Property Taxes	7,067,893	6,938,155	129,738	1.87%
Unrestricted Grants	3,102,630	2,326,046	776,584	33.39%
Other	21,453	14,604	6,849	46.90%
Total Revenues	<u>10,437,197</u>	<u>9,730,795</u>	<u>706,402</u>	<u>7.26%</u>
<b>PROGRAM EXPENSES</b>				
Instruction:				
Regular	2,985,252	2,360,716	624,536	26.46%
Special	1,141,463	1,005,244	136,219	13.55%
Other	982	383	599	156.40%
Support Services:				
Tuition	3,108,677	2,548,138	560,539	22.00%
Student & Instructional Staff	1,234,975	1,127,889	107,086	9.49%
General & Business Administration	354,491	365,629	(11,138)	-3.05%
School Administration	233,628	200,577	33,051	16.48%
Plant Operations & Maintenance	464,085	498,616	(34,531)	-6.93%
Transportation	547,657	512,010	35,647	6.96%
Food Service	85,271	82,584	2,687	3.25%
Transfer of Funds to Charter Schools	11,094	11,187	(93)	-0.83%
Interest on Long Term Debt	49,330	62,280	(12,950)	-20.79%
Total Expenses	<u>10,216,905</u>	<u>8,775,253</u>	<u>1,441,652</u>	<u>16.43%</u>
Increase (Decrease) Before Special Item	220,292	955,542	(735,250)	-76.95%
Special Item:				
Capital Grants De-obligated	<u>(19,151)</u>		<u>(19,151)</u>	
Increase in Net Position	<u>\$ 201,141</u>	<u>\$ 955,542</u>	<u>\$ (754,401)</u>	

\* = Not measurable

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 73.16 percent of revenues for governmental activities for the White Township School District for the fiscal year 2015.

Instruction comprises 40.40 percent of district expenses. Support services including high school tuition expenses make up 59.12 percent of the expenses. Interest on long-term debt comprises .48 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2014. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3  
COST OF GOVERNMENTAL SERVICES

	Total Cost of Services		Net Cost of Services	
	6/30/2015	6/30/2014	6/30/2015	6/30/2014
Instruction	\$ 4,127,697	\$ 3,366,343	\$ 4,073,172	\$ 3,252,880
Support Services:				
Tuition	3,108,677	2,548,138	3,008,260	2,431,662
Student & Instructional Staff	1,234,975	1,127,889	1,226,963	1,097,330
General & Business Administration	354,491	365,629	354,491	360,458
School Administration	233,628	200,577	233,628	198,007
Plant Operations & Maintenance	464,085	498,616	464,085	492,702
Transportation	547,657	512,010	547,657	512,010
Food Service	85,271	82,584	11,094	(4,527)
Transfer of Funds to Charter Schools	11,094	11,187	3,004	11,187
Interest on Long-Term Debt	49,330	62,280	49,330	62,280
	<u>\$ 10,216,905</u>	<u>\$ 8,775,253</u>	<u>\$ 9,971,684</u>	<u>\$ 8,413,989</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students.

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

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

**MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

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

Business-type activities include expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 67.71 percent of program activities are supported through taxes; for all activities general revenue support is 97.65 percent. The community, as a whole, is the primary support for the White Township School District.

**The School District's Funds**

Information about the School District's major funds starts on page 17 (Balance Sheet/Exhibit B-1). These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,660,424 and expenditures of \$9,798,052. The net change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of \$174,550.

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2015 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding TPAF On-Behalf amounts, was \$8,601,336; \$106,241 over amended budgeted estimates of \$8,495,095.

The General fund revenues and other financing sources of the School District exceeded expenditures by 37,714, again, as a result of a reduction in expenditures.

**Capital Assets**

At the end of the fiscal year 2015, the School District had \$4,128,342 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2014 balances compared to 2015.

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

TABLE 4  
CAPITAL ASSETS AT YEAR END (Net of Depreciation)

	6/30/2015	6/30/2014	Variance	
			Dollars	Percent
Land & Land Improvements	\$ 60,395	\$ 63,646	\$ (3,251)	-5.11%
Construction in Progress	4,174	161,685	(157,511)	-97.42%
Buildings & Improvements	4,010,886	3,821,763	189,123	4.95%
Machinery & Equipment	52,887	58,604	(5,717)	-9.76%
	<u>\$ 4,128,342</u>	<u>\$ 4,105,698</u>	<u>\$ 22,644</u>	0.55%

Overall capital assets increased \$22,644 from fiscal year 2014 to fiscal year 2015. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year.

**Debt Administration**

At June 30, 2015, the School District had \$1,373,696 in long-term liabilities.

At June 30, 2015, the School District's overall legal debt limit was \$21,579,198 and the legal debt margin was \$20,514,198.

TABLE 5  
LONG-TERM LIABILITIES AT YEAR END

	6/30/2015	6/30/2014	Variance	
			Dollars	Percent
General Obligation Bonds	\$ 1,065,000	\$ 1,390,000	\$ (325,000)	-23.38%
ERIP Payable	157,932	184,254	(26,322)	-14.29%
Compensated Absences Payable	150,764	145,450	5,314	3.65%
	<u>\$ 1,373,696</u>	<u>\$ 1,719,704</u>	<u>\$ (346,008)</u>	-20.12%

**For the Future**

The White Township School District is presently in good financial condition. Some major concerns are the anticipated tuition adjustment from Belvidere High School, the new state aid funding formula, and the increasing costs for special education.

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

**MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

**Contracting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at White Township School District, 565 C.R. Route 519, Belvidere, NJ 07823.

**BASIC FINANCIAL STATEMENTS**

## DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Govern- mental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1,464,160	\$ 30,809	\$ 1,494,969
Receivables, Net	82,762	1,880	84,642
Inventory		3,230	3,230
Restricted Assets:			
Capital Reserve Account-Cash	573,910		573,910
Maintenance Reserve Account-Cash	296,075		296,075
Capital Projects Fund-Cash	53,249		53,249
Capital Assets, Net (Note 4):			
Land and Construction in Progress	53,184		53,184
Other Capital Assets, Net of Depreciation	4,054,497	20,661	4,075,158
Total Assets	<u>6,577,837</u>	<u>56,580</u>	<u>6,634,417</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount of Pension Activity	<u>157,025</u>	<u>-</u>	<u>157,025</u>
<b>LIABILITIES</b>			
Accounts Payable	16,918	357	17,275
Accrued Interest	15,975		15,975
Unearned Revenue		1,996	1,996
Long-Term Liabilities (Note 5):			
Due Within One Year	366,322		366,322
Due Beyond One Year	1,885,886		1,885,886
Total Liabilities	<u>2,285,101</u>	<u>2,353</u>	<u>2,287,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount of Pension Activity	<u>52,355</u>	<u>-</u>	<u>52,355</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,042,681	20,661	3,063,342
Restricted For:			
Capital Reserve	573,910		573,910
Maintenance Reserve	296,075		296,075
Tuition Reserve	600,000		600,000
Capital Projects	53,249		53,249
Unrestricted	<u>(168,509)</u>	<u>33,566</u>	<u>(134,943)</u>
TOTAL NET POSITION	<u>\$ 4,397,406</u>	<u>\$ 54,227</u>	<u>\$ 4,451,633</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 1,726,974	\$ 1,258,278	\$ 11,250	\$ 20,334		\$ (2,953,668)		\$ (2,953,668)
Special Education	532,838	386,958		5,125		(914,671)		(914,671)
Other Special Instruction	140,128	81,539		17,816		(203,851)		(203,851)
Other Instruction	947	35				(982)		(982)
Support Services:								
Tuition	3,108,677			100,417		(3,008,260)		(3,008,260)
Students & Instruction Related Services	784,803	450,172		8,012		(1,226,963)		(1,226,963)
General & Business Administration Services	316,050	38,441				(354,491)		(354,491)
School Administration Services	123,020	110,608				(233,628)		(233,628)
Plant Operations & Maintenance	378,701	85,384				(464,085)		(464,085)
Pupil Transportation	547,657					(547,657)		(547,657)
Charter School	11,094					(11,094)		(11,094)
Interest on Long-Term Debt	49,330					(49,330)		(49,330)
<b>Total Governmental Activities</b>	<b>7,720,219</b>	<b>2,411,415</b>	<b>11,250</b>	<b>151,704</b>	<b>\$ -</b>	<b>(9,968,680)</b>	<b>\$ -</b>	<b>(9,968,680)</b>
<b>Business-Type Activities:</b>								
Food Service	85,271		49,227	33,040			(3,004)	(3,004)
<b>Total Business-Type Activities</b>	<b>85,271</b>	<b>-</b>	<b>49,227</b>	<b>33,040</b>	<b>-</b>	<b>-</b>	<b>(3,004)</b>	<b>(3,004)</b>
<b>Total Primary Government</b>	<b>\$ 7,805,490</b>	<b>\$ 2,411,415</b>	<b>\$ 60,477</b>	<b>\$ 184,744</b>	<b>\$ -</b>	<b>\$ (9,968,680)</b>	<b>\$ (3,004)</b>	<b>\$ (9,971,684)</b>
<b>General Revenues, Transfers &amp; Special Items</b>								
						\$ 6,741,306		\$ 6,741,306
						326,587		326,587
						3,102,630		3,102,630
						3,639	\$ 52	3,691
						(19,151)		(19,151)
						17,762		17,762
						10,172,773	52	10,172,825
						204,093	(2,952)	201,141
						4,193,313	57,179	4,250,492
						\$ 4,397,406	\$ 54,227	\$ 4,451,633

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

WHITE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 1,457,436	\$ 6,724			\$ 1,464,160
Receivables from Other Governments:					
State	82,762				82,762
Restricted Cash & Equivalents	869,985		\$ 53,249		923,234
<b>TOTAL ASSETS</b>	<u>\$ 2,410,183</u>	<u>\$ 6,724</u>	<u>\$ 53,249</u>	<u>\$ -</u>	<u>\$ 2,470,156</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 10,194	\$ 6,724			\$ 16,918
Total Liabilities	<u>10,194</u>	<u>6,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>16,918</u>
<b>Fund Balances:</b>					
<b>Restricted Fund Balances:</b>					
Excess Surplus	344,616				344,616
Excess Surplus-Designated for Subsequent Year's Expenditures	402,904				402,904
Capital Projects Fund Balance			53,249		53,249

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances (Continued):					
Committed Fund Balances:					
Capital Reserve Account	\$ 573,910				\$ 573,910
Maintenance Reserve Account	296,075				296,075
Tuition Reserve	600,000				600,000
Assigned Fund Balances:					
Year-End Encumbrances	15,864				15,864
Unassigned Fund Balance	166,620				166,620
Total Fund Balances	<u>2,399,989</u>	<u>\$ -</u>	<u>\$ 53,249</u>	<u>\$ -</u>	<u>2,453,238</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,410,183</u>	<u>\$ 6,724</u>	<u>\$ 53,249</u>	<u>\$ -</u>	

Amounts Reported for Governmental Activities in the Statement of Net Assets  
(A-1) are Different Because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 7,028,341  
2,920,660

4,107,681

Long-term liabilities, including bonds payable, are not due & payable in the current period and, therefore, are not reported as liabilities in the funds

(2,252,208)

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

104,670

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due

(15,975)

Total Net Assets of Governmental Activities

\$ 4,397,406

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 6,741,306			\$ 326,587	\$ 7,067,893
Tuition-Individuals	11,250				11,250
Interest on Investments	3,639				3,639
Miscellaneous	17,762				17,762
<b>Total</b>	<b>6,773,957</b>	<b>\$ -</b>	<b>\$ -</b>	<b>326,587</b>	<b>7,100,544</b>
State Sources	2,360,663			47,513	2,408,176
Federal Sources		151,704			151,704
<b>Total Revenues</b>	<b>9,134,620</b>	<b>151,704</b>	<b>-</b>	<b>374,100</b>	<b>9,660,424</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Instruction	2,094,591	20,334			2,114,925
Special Education Instruction	648,349	5,125			653,474
Other Special Instruction	146,030	17,816			163,846
Other Instruction	947				947
Support Service and Undistributed Costs:					
Tuition	3,008,260	100,417			3,108,677
Student and Instruction Related Services	946,697	8,012			954,709
General and Business Administrative Services	328,760				328,760
School Administrative Services	183,962				183,962
Plant Operations & Maintenance	425,508				425,508
Pupil Transportation	547,657				547,657
Unallocated Employee Benefits	737,754				737,754

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 12,984		\$ 174,550		\$ 187,534
Transfer of Funds to Charter Schools	11,094				11,094
Debt Service:					
Principal				\$ 325,000	325,000
Interest & Other Charges	5,105			49,100	54,205
Total Expenditures	<u>9,097,698</u>	<u>\$ 151,704</u>	<u>174,550</u>	<u>374,100</u>	<u>9,798,052</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,922</u>	<u>-</u>	<u>(174,550)</u>	<u>-</u>	<u>(137,628)</u>
Other Financing Sources (Uses):					
NJ SDA Grant Deobligated			(19,151)		(19,151)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(19,151)</u>	<u>-</u>	<u>(19,151)</u>
Net Change in Fund Balance	36,922	-	(193,701)	-	(156,779)
Fund Balances, July 1	<u>2,363,067</u>	<u>-</u>	<u>246,950</u>	<u>-</u>	<u>2,610,017</u>
Fund Balances, June 30	<u>\$ 2,399,989</u>	<u>\$ -</u>	<u>\$ 53,249</u>	<u>\$ -</u>	<u>\$ 2,453,238</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	(156,779)
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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:		
Capital Outlays	\$ 191,283	
Depreciation Expenses	<u>(165,714)</u>	25,569
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:		
Bond Principal Payments	325,000	
Early Retirement Incentive Payments	<u>26,322</u>	351,322
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		
		4,875
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
		(15,580)
In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		<u>(5,314)</u>
Change in Net Position of Governmental Activities	\$	<u><u>204,093</u></u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF FUND NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2015

	<u>Food Service Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 30,809
Receivables from Other Governments:	
State	143
Federal	1,737
Inventories	3,230
Total Current Assets	<u>35,919</u>
Fixed Assets:	
Capital Assets	38,127
Accumulated Depreciation	17,466
Total Fixed Assets	<u>20,661</u>
Total Assets	<u>56,580</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	357
Unearned Revenue-Commodities	1,198
Unearned Revenue-Prepays	798
Total Current Liabilities	<u>2,353</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	20,661
Unrestricted	33,566
TOTAL NET POSITION	<u>\$ 54,227</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Services
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 35,038
Daily Sales-Nonreimbursable Programs	14,189
Total Operating Revenues	49,227
Operating Expenses:	
Costs of Sales-Reimbursable Programs	29,636
Costs of Sales-Non-Reimbursable Programs	12,104
Salaries	21,214
Employee Benefits	3,041
Purchased Property Services	788
Insurance	2,386
Management Fees	3,768
Depreciation	2,925
Total Operating Expenses	85,271
Operating Income (Loss)	(36,044)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	971
Federal Sources:	
Cash Assistance	24,662
Interest Earned on Investments	52
Total Nonoperating Revenues (Expenses)	33,092
Change in Net Position	(2,952)
Total Net Position, Beginning	57,179
Total Net Position, Ending	\$ 54,227

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Services
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 48,846
Payments to Food Services Management Company	(73,778)
Payments to Vendors (Net)	(5,631)
Net Cash Provided by (Used For) Operating Activities	(30,563)
Cash Flows from Noncapital Financing Activities:	
State Sources	952
Federal Sources	24,791
Net Cash Provided by (Used For) Noncapital Financing Activities	25,743
Cash Flows from Investing Activities:	
Interest Earned on Investments	52
Net Cash Provided by (Used For) Investing Activities	52
Net Increase (Decrease) in Cash and Cash Equivalents	(4,768)
Cash and Cash Equivalents, July 1, 2014	35,577
Cash and Cash Equivalents, June 30, 2015	\$ 30,809
Reconciliation of Operating Income (Loss) to Net	
Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (36,044)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	2,925
Federal Food Donation Program	7,134
(Increase) Decrease in Inventory	365
Increase (Decrease) in Deferred Revenue	(381)
Increase (Decrease) in Accounts Payable	(4,562)
Net Cash Provided by (Used For) Operating Activities	\$ (30,563)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015

	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS			
Cash & Cash Equivalents	\$ 15,646		\$ 15,646
TOTAL ASSETS	<u>\$ 15,646</u>	<u>\$ -</u>	<u>\$ 15,646</u>
LIABILITIES			
Due to Student Groups	\$ 15,646		15,646
TOTAL LIABILITIES	<u>\$ 15,646</u>	<u>\$ -</u>	<u>\$ 15,646</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

## NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the White Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-12. The District had an approximate enrollment at June 30, 2015 of 320 students.

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

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, 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 District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are 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 After School Program.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net 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 are as follows:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. 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 and, if necessary are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

E. 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 reservations 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 unearned revenues at fiscal year end.

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

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

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

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents 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.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Furniture	20
Maintenance Equipment	10
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

L. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is unearned until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

N. Fund Balances-Governmental Funds (cont'd)

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

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)**

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

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

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.

NJSA 17:9-41 e.t. seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving 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.

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash		<u>\$ 2,433,849</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 2,387,394
Enterprise Fund, Statement of Net Position	B-4	30,809
Fiduciary Funds, Statement of Net Position	B-7	<u>15,646</u>
Total Cash		<u>\$ 2,433,849</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)**

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$2,433,849 and the bank balance is \$2,899,858. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,649,858 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
  - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district had no investments.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 4. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 49,010			\$ 49,010
Construction in Progress	161,685	\$ 183,035	\$ 340,546	4,174
	<u>210,695</u>	<u>183,035</u>	<u>340,546</u>	<u>53,184</u>
Capital Assets, Being Depreciated:				
Land Improvements	83,550			83,550
Building & Improvements	6,126,979	340,546		6,467,525
Furniture & Equipment	415,834	8,248		424,082
Total	<u>6,626,363</u>	<u>348,794</u>	<u>-0-</u>	<u>6,975,157</u>
Accumulated Depreciation:				
Land Improvements	68,913	3,252		72,165
Building & Improvements	2,305,217	151,422		2,456,639
Furniture & Equipment	380,816	11,040		391,856
Total	<u>2,754,946</u>	<u>165,714</u>	<u>-0-</u>	<u>2,920,660</u>
Total Capital Assets, Being Depreciated, Net	<u>3,871,417</u>	<u>183,080</u>	<u>-0-</u>	<u>4,054,497</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,082,112</u>	<u>\$ 366,115</u>	<u>\$ 340,546</u>	<u>\$ 4,107,681</u>
Business-Type Activities:				
Furniture & Equipment	\$ 38,127			\$ 38,127
Less: Accum Depreciation	14,541	\$ 2,925		17,466
Business-Type Activities Capital Assets, Net	<u>\$ 23,856</u>	<u>\$ (2,925)</u>	<u>\$ -0-</u>	<u>\$ 20,661</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 78,435
Special Education	24,235
Other Special Instruction	6,076
Other Instruction	35
Support Services:	
Student & Instruction	35,406
General & Business Admin	12,192
School Administration	6,822
Plant & Maintenance	2,513
Total Depreciation Expense, Governmental Activities	<u>\$ 165,714</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 5. LONG-TERM DEBT**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 1,390,000		\$ 325,000	\$ 1,065,000	\$ 340,000
PERS Net Pension Liability	789,383	\$ 89,129		878,512	
ERIP Payable	184,254		26,322	157,932	26,322
Compensated Absences Payable	<u>145,450</u>	<u>5,314</u>		<u>150,764</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 2,509,087</u>	<u>\$ 94,443</u>	<u>\$ 351,322</u>	<u>\$ 2,252,208</u>	<u>\$ 366,322</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 340,000	\$ 35,800	\$ 375,800
2017	355,000	21,900	376,900
2018	<u>370,000</u>	<u>7,400</u>	<u>377,400</u>
Total	<u>\$ 1,065,000</u>	<u>\$ 65,100</u>	<u>\$ 1,130,100</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

General Obligation Bonds – General obligation school building bonds at June 30, 2015, with their outstanding balances are comprised of the following individual issues:

\$3,080,000 - 2007 general obligation school refunding bonds, interest at 4.00%, due in annual installments beginning August 15, 2008, through August 15, 2018	<u>\$ 1,065,000</u>
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The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$21,579,198. General obligation debt at June 30, 2015 is \$1,065,000, resulting in a legal debt margin of \$20,514,198.

**NOTE 6. PENSION PLANS**

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Public Employees' Retirement System (PERS)

**Plan Description**

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS**

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following represents the membership tiers for PERS:

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

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

**Allocation Methodology and Reconciliation to Financial Statements**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are 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. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

**Contributions**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

**Collective Net Pension Liability and Actuarial Information**

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 1,833,320	\$ 1,539,459
Plan Fiduciary Net Position	<u>954,808</u>	<u>750,076</u>
Net Pension Liability	<u>\$ 878,512</u>	<u>\$ 789,383</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

Inflation Rate	3.01%
Salary Increases (Based on Age):	
2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%
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.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2014
At Current Discount Rate (5.39%)	\$ 878,512
At a 1% Lower Rate (4.39%)	1,105,198
At a 1% Higher Rate (6.39%)	688,154
	2013
At Current Discount Rate (5.55%)	\$ 789,383
At a 1% Lower Rate (4.55%)	972,678
At a 1% Higher Rate (6.55%)	627,428

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	27,625	
Net difference between projected and actual earnings on pension plan investments		52,355

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 90,718	
District contributions subsequent to the measurement date	<u>38,682</u>	
Total	<u>\$ 157,025</u>	<u>\$ 52,355</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$38,682 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 32,703	\$ 5,078	\$ 27,625
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	65,444	13,089	<u>52,355</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (24,730)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (8,010)
2016	(8,010)
2017	(8,011)
2018	(8,011)
2019	5,078
Thereafter	<u>2,234</u>
Total	<u>\$ (24,730)</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

A. Public Employees' Retirement System (PERS) (Cont'd)

**Pension Expense**

For the year ended June 30, 2015, the District recognized net pension expense of \$52,262 which represents the District's proportionate share of allocable plan pension expense of \$45,167 plus the net amortization of deferred amounts from changes in proportion of \$16,676 plus the pension expense related to specific of individual employers of \$436 and less the other adjustments to the net pension liability of \$8,017. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 41,104
Interest on Total Pension Liability	96,981
Member Contributions	(22,510)
Administrative Expense	686
Expected Investment Return Net of Investment Expense	(62,804)
Pension Expense Related to Specific Liabilities of Individual Employers	(279)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	5,078
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	<u>(13,089)</u>
Pension Expense	<u>\$ 45,167</u>

B. Teacher's Pension and Annuity Fund (TPAF)

**Plan Description**

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

The vesting and benefit provisions are set by NJSA 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.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

**B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)**

The following represents the membership tiers for TPAF:

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

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

**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 18:66-33. Therefore, these local participating employers are 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 local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net Pension Liability	\$ 12,905,821	\$11,341,395
Employer Pension Expense & Related Revenue	694,454	N/A
Non-Employer Contribution	102,574	145,341
Allocable Proportionate Percentage	.0241470665%	.0224407829%

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 in 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

Contribution Requirements (cont'd)

The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/15	\$ 343,788	100%
06/30/14	269,646	100%
06/30/13	308,964	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/15	\$ 54,785	100%
06/30/14	46,755	100%
06/30/13	49,984	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$210,923 to the TPAF for post-retirement medical benefits, \$8,917 for non-contributory insurance premiums and \$123,948 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$190,288 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and 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. PL 2007, Ch 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 eligible for 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 Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)**

The State is also responsible for the cost attributable to Ch 126, PL 1992, 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. In fiscal year 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

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's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

**Plan Description**-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at ([www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)).

**Funding Policy**-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

**NOTE 8. DEFERRED COMPENSATION**

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

Equitable  
Oppenheimer

T Rowe Price  
Franklin Trust

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

There were no interfund balances at June 30, 2015.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2015 consisted of the following:

Food	\$	2,737
Supplies		493
Total		3,230

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law 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 nonoperating revenue in the financial statements.

**NOTE 11. CONTINGENT LIABILITIES**

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

**NOTE 12. RISK MANAGEMENT**

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)**

The following is a summarization of the Legal Reserve Accounts for the Current year:

Type	Beginning Balance	District Contribution	Interest Earnings	Return of Unused With- drawl	With- drawal	Ending Balance
Capital	\$ 573,197		\$ 713			\$ 573,910
Maintenance	295,707		368			296,075
Tuition	600,000	\$ 300,000			\$ 300,000	600,000
<b>Totals</b>	<u>\$ 1,468,904</u>	<u>\$ 300,000</u>	<u>\$ 1,081</u>	<u>\$ -0-</u>	<u>\$ 300,000</u>	<u>\$ 1,469,985</u>

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets	\$ 344,616	\$ 402,904
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	402,904	321,334
Committed:		
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	573,910	573,197
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	296,075	295,707
Tuition Reserve	600,000	600,000
Assigned:		
Year-End Encumbrances-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30	15,864	3,766
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>333,590</u>	<u>332,337</u>
<b>Total Fund Balance</b>	<u>\$ 2,566,959</u>	<u>\$ 2,529,245</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance 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 is \$344,616.

**NOTE 16: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 30, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

**NOTE 18. RESTATEMENT OF PRIOR YEAR NET POSITION**

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. In addition state projects grants were understated. The following is a summary of the District's restatement of net position as of June 30, 2014:

	<u>Governmental Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 4,860,849
Add: Additional State Project Grant	90,726
Deferred Outflow of Resources for Pension Activity	31,121
Less: PERS Net Pension Liability as of June 30, 2014	<u>(789,383)</u>
Net Position, June 30, 2014 as Restated	<u>\$ 4,193,313</u>

**NOTE 19. DEFICIT BALANCE IN UNRESTRICTED NET POSITION**

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$168,509 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A						
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		12,905,821	11,341,395							
Total	\$ -	\$ 12,905,821	\$ 11,341,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 2,576,714	\$ 2,369,791							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							
N/A- Information not available										

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 132,865	\$ 102,153	\$ 145,003	\$ 77,778	\$ 8,291	\$ 8,947	\$ 8,882	\$ 187,729	\$ 194,126	
Contributions in Relation to the Contractually Required Contribution	(132,865)	(102,153)	(145,003)	(77,778)	(8,291)	(8,947)	(8,882)	(187,729)	(194,126)	N/A
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 2,644,094	\$ 2,576,714	\$ 2,369,791	\$ 2,174,649	\$ 2,010,537	\$ 2,460,727	\$ 2,688,369	N/A	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	5.02%	3.96%	6.12%	3.58%	0.41%	0.36%	0.33%	N/A	N/A	N/A

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0046922218%	0.0041303044%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 878,512	\$ 789,383							
District's Covered Employee Payroll	N/A	269,443	319,743	N/A						
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		326.05%	246.88%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

N/A- Information not available

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 38,682	\$ 31,121	\$ 49,984	\$ 58,996	\$ 65,882	\$ 58,214	\$ 41,039	\$ 32,801	\$ 28,417	\$ 10,353
Contributions in Relation to the Contractually Required Contribution	(38,682)	(31,121)	(49,984)	(58,996)	(65,882)	(58,214)	(41,039)	(32,801)	(28,417)	(10,353)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered Employee Payroll	\$ 252,544	\$ 269,443	\$ 319,743	\$ 255,868	\$ 298,345	\$ 385,378	\$ 436,501	N/A	N/A	N/A
Contributions as a percentage of Covered Employee Payroll	15.32%	11.55%	15.63%	23.06%	22.08%	15.11%	9.40%	N/A	N/A	N/A

**BUDGETARY COMPARISON SCHEDULES**

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 6,741,306		\$ 6,741,306	\$ 6,741,306	
Tuition-Individuals				11,250	\$ 11,250
Interest on Investments				2,558	2,558
Interest on Capital Reserve Account				713	713
Interest on Maintenance Reserve Account				368	368
Unrestricted Miscellaneous Revenues	10,000		10,000	17,762	7,762
Total	6,751,306	\$ -	6,751,306	6,773,957	22,651
State Sources:					
Categorical Transportation Aid	249,609		249,609	249,609	
Categorical Special Education Aid	313,648		313,648	313,648	
Equalization Aid	581,054		581,054	581,054	
Categorical Security Aid	49,562		49,562	49,562	
Adjustment Aid	540,496		540,496	540,496	
PARCC Readiness	4,710		4,710	4,710	
Per Pupil Growth Aid	4,710		4,710	4,710	
Extraordinary Aid				77,753	77,753
Nonpublic Transportation Aid				5,837	5,837
On-Behalf TPAF Pension Contributions				132,865	132,865
On-Behalf TPAF Post Retirement Medical Benefits				210,923	210,923
Reimbursed TPAF Social Security Contribution				190,288	190,288
Total	1,743,789	-	1,743,789	2,361,455	617,666
<b>TOTAL REVENUES</b>	<b>\$ 8,495,095</b>	<b>\$ -</b>	<b>\$ 8,495,095</b>	<b>\$ 9,135,412</b>	<b>\$ 640,317</b>
<b>EXPENDITURES</b>					
Current:					
Regular Programs:					
Instruction-Salaries of Teachers:					
Kindergarten	\$ 124,479	\$ 806	\$ 125,285	\$ 125,285	
Grades 1-5	764,550	28,229	792,779	791,973	\$ 806
Grades 6-8	668,465	(28,593)	639,872	639,872	
Home Instruction:					
Salaries of Teachers	2,500	(441)	2,059	245	1,814
Purchased Professional Educational Services	1,000		1,000		1,000
Undistributed Instruction:					
Other Purchased Services	26,000	4,697	30,697	20,373	10,324
General Supplies	50,000	31,985	81,985	78,345	3,640
Textbooks	25,000	26,231	51,231	50,547	684
Total	1,661,994	62,914	1,724,908	1,706,640	18,268
Learning and/or Language Disabilities:					
Salaries of Teachers	139,952		139,952	137,625	2,327
General Supplies	1,000		1,000		1,000
Total Learning and/or Language Disabilities	140,952	-	140,952	137,625	3,327
Multiple Disabilities:					
Salaries of Teachers	51,240	1,774	53,014	53,014	
General Supplies	1,000		1,000		1,000
Total	52,240	1,774	54,014	53,014	1,000
Resource Room/Center:					
Salaries of Teachers	331,620	(22,908)	308,712	301,159	7,553
General Supplies	2,000	(791)	1,209	263	946
Total	333,620	(23,699)	309,921	301,422	8,499
Preschool Disabilities-Part-Time:					
Salaries of Teachers	32,565		32,565	30,895	1,670
Other Salaries for Instruction	15,255		15,255	4,757	10,498
Total	47,820	-	47,820	35,652	12,168
Total Special Education	574,632	(21,925)	552,707	527,713	24,994

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	\$ 88,040		\$ 88,040	\$ 87,286	\$ 754
Other Salaries for Instruction	34,057	\$ 952	35,009	35,009	
General Supplies	2,000		2,000	17	1,983
Total	124,097	952	125,049	122,312	2,737
School-Sponsored Co-Curricular Activities:					
Supplies and Materials	2,000		2,000	947	1,053
Total	2,000	-	2,000	947	1,053
Total Instruction Regular	\$ 2,362,723	\$ 41,941	\$ 2,404,664	\$ 2,357,612	\$ 47,052
Undistributed Expenditures:					
Instruction Tuition:					
Tuition to Other LEAs within the State-Regular	\$ 2,229,096		\$ 2,229,096	\$ 2,229,096	
Tuition to Other LEAs within the State-Special	235,500	\$ 9,080	244,580	244,580	
Tuition to County Voc School District-Regular	51,443		51,443	51,443	
Tuition to County Voc School District-Special	50,000		50,000	50,000	
Tuition to Priv School for the Disabled W/I State	472,000	(38,859)	433,141	433,141	
Total	3,038,039	(29,779)	3,008,260	3,008,260	\$ -
Attendance & Social Work:					
Salaries	74,730	(1)	74,729	64,342	10,387
Supplies and Materials	10,500		10,500	5,897	4,603
Total	85,230	(1)	85,229	70,239	14,990
Health Services:					
Salaries	50,989		50,989	41,067	9,922
Purchased Professional & Technical Services	1,000		1,000	500	500
Supplies and Materials	4,000		4,000	1,639	2,361
Total	55,989	-	55,989	43,206	12,783
Speech, OT, PT & Related Services:					
Salaries	105,980	(671)	105,309	104,878	431
Purchased Professional-Educational Services		73,321	73,321	72,753	568
Total	105,980	72,650	178,630	177,631	999
Other Support Services-Students-Extra Services:					
Salaries	28,535	3,784	32,319	32,319	
Purchased Professional-Educational Services	228,700	(58,170)	170,530	170,269	261
Total	257,235	(54,386)	202,849	202,588	261
Child Study Team:					
Salaries of Other Professional Staff	186,049	(11,508)	174,541	163,157	11,384
Purchased Professional-Educational Services		19,125	19,125	16,035	3,090
Supplies and Materials	12,500	(7,500)	5,000	3,947	1,053
Total	198,549	117	198,666	183,139	15,527
Improvement of Instructional Services:					
Other Purchased Services	8,000	-	8,000	4,481	3,519
Educational Media Services/School Library:					
Salaries	87,605		87,605	87,605	
Supplies and Materials	3,000		3,000	600	2,400
Total	90,605	-	90,605	88,205	2,400
Instructional Staff Training Services:					
Other Purchased Services	12,000	-	12,000	7,302	4,698

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services-General Administration:					
Salaries	\$ 42,118	\$ 20,010	\$ 62,128	\$ 44,018	\$ 18,110
Legal Services	15,000	245	15,245	15,245	
Audit Fees	14,000		14,000	13,400	600
Architectural/Engineering Services	5,000	3,950	8,950	8,950	
Other Purchased Professional Services	107,500	(245)	107,255	100,455	6,800
Communications & Telephone	22,500	(14,668)	7,832	7,206	626
Miscellaneous Purchased Services	20,000	14,668	34,668	28,452	6,216
General Supplies	2,500	(952)	1,548	637	911
Miscellaneous Expenditures	5,000		5,000	607	4,393
Board of Education Membership Dues & Fees	6,000		6,000	5,191	809
Total	239,618	23,008	262,626	224,161	38,465
Support Services-School Administration:					
Salaries of Principals & Assistant Principals	88,560	11,215	99,775	88,560	11,215
Salaries of Secretarial & Clerical Assistants	32,479		32,479	32,479	
Supplies and Materials	1,000	981	1,981	1,981	
Total	122,039	12,196	134,235	123,020	11,215
Central Services:					
Salaries	15,000	9,220	24,220	14,950	9,270
Purchased Professional Services	77,259		77,259	76,939	320
Total	92,259	9,220	101,479	91,889	9,590
Required Maintenance for School Facilities:					
Salaries	58,909	(487)	58,422	46,040	12,382
Cleaning, Repair & Maintenance Services	64,141	(4,706)	59,435	47,135	12,300
General Supplies	20,000	5,193	25,193	25,193	
Total	143,050	-	143,050	118,368	24,682
Custodial Services:					
Salaries	109,985	16,234	126,219	125,756	463
Salaries of Non-Instructional Aides	14,261	(14,261)			
Cleaning, Repair & Maintenance Services	35,000	(1,510)	33,490	13,663	19,827
Insurance	35,000	(1,033)	33,967	27,827	6,140
Miscellaneous Purchased Services		630	630	630	
General Supplies	20,000	(545)	19,455	7,046	12,409
Energy (Natural Gas)	55,000		55,000	29,662	25,338
Energy (Electricity)	75,000	(11,000)	64,000	54,618	9,382
Total	344,246	(11,485)	332,761	259,202	73,559
Care and Upkeep of Grounds:					
Salaries					
Cleaning, Repair, and Maintenance Services	5,000		5,000	4,880	120
Total	5,000	-	5,000	4,880	120
Student Transportation Services:					
Contract Services (Bet Home & School)-Vendors	292,330	(4,134)	288,196	280,027	8,169
Contract Services (Sp Education Stds)-Vendors	284,000	(6,188)	277,812	242,280	35,532
Misc Purchased Services-Transportation		3,250	3,250	3,250	
Contract Svc-Aid in Lieu Pymts-Non-Public Schools	15,028	7,072	22,100	22,100	
Total	591,358	-	591,358	547,657	43,701

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Benefits-Employees:					
Regular Programs:					
Health Benefits	\$ 535,229	\$ (28,421)	\$ 506,808	\$ 387,951	\$ 118,857
Special Programs:					
Health Benefits	187,292	(63,666)	123,626	120,636	2,990
Basic Skills/Remedial-Instruction:					
Health Benefits		23,719	23,719	23,718	1
Attendance & Social Work Service:					
Health Benefits	26,764	3,808	30,572	30,572	
Health Services:					
Health Benefits	23,513		23,513	23,442	71
Child Study Team:					
Health Benefits	126,025	(3,593)	122,432	85,242	37,190
Educational Media Services/School Library:					
Health Benefits	25,571	5,090	30,661	30,650	11
Support Services-General Administration:					
Health Benefits	24,175		24,175	12,710	11,465
Support Services-School Administration:					
Health Benefits	57,508	3,445	60,953	60,942	11
Operation of Maintenance of Plant Services:					
Health Benefits	72,233		72,233	43,058	29,175
Total Allocated Benefits	<u>1,078,310</u>	<u>(59,618)</u>	<u>1,018,692</u>	<u>818,921</u>	<u>199,771</u>
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	45,000	(1,000)	44,000	38,867	5,133
TPAF Contributions-ERIP	30,000		30,000	26,322	3,678
Other Retirement Contributions-PERS	60,000		60,000	54,785	5,215
Unemployment Compensation	10,000	1,683	11,683	11,683	
Workmen's Compensation	38,000	(1,869)	36,131	23,373	12,758
Health Benefits	12,000		12,000	863	11,137
Tuition Reimbursement	35,000		35,000	26,535	8,465
Other Employee Benefits	40,000	(17,000)	23,000	21,250	1,750
Total	<u>270,000</u>	<u>(18,186)</u>	<u>251,814</u>	<u>203,678</u>	<u>48,136</u>
Total Personal Services-Employee Benefits	<u>1,348,310</u>	<u>(77,804)</u>	<u>1,270,506</u>	<u>1,022,599</u>	<u>247,907</u>
On-Behalf TPAF Payments:					
On-Behalf TPAF Pension Contributions				132,865	(132,865)
On-Behalf TPAF Post Retirement Medical Benefits				210,923	(210,923)
Reimbursed TPAF Social Security Contribution				190,288	(190,288)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,076</u>	<u>(534,076)</u>
Total Undistributed Expenditures	<u>\$ 6,737,507</u>	<u>\$ (56,264)</u>	<u>\$ 6,681,243</u>	<u>\$ 6,710,903</u>	<u>\$ (29,660)</u>
TOTAL CURRENT	<u>\$ 9,100,230</u>	<u>\$ (14,323)</u>	<u>\$ 9,085,907</u>	<u>\$ 9,068,515</u>	<u>\$ 17,392</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures – Non-Inst. Serv.		\$ 4,499	\$ 4,499	\$ 4,499	
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 3,766		3,766	3,766	
Construction Services		9,824	9,824	4,719	\$ 5,105
Assessment for Debt Service on SDA Funding	5,105		5,105	5,105	
TOTAL CAPITAL OUTLAY	<u>\$ 8,871</u>	<u>\$ 14,323</u>	<u>\$ 23,194</u>	<u>\$ 18,089</u>	<u>\$ 5,105</u>
TRANSFER OF FUNDS TO CHARTER SCHOOLS	<u>\$ 11,094</u>	<u>\$ -</u>	<u>\$ 11,094</u>	<u>\$ 11,094</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 9,120,195</u>	<u>\$ -</u>	<u>\$ 9,120,195</u>	<u>\$ 9,097,698</u>	<u>\$ 22,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (625,100)	\$ -	\$ (625,100)	\$ 37,714	\$ 662,814
Fund Balances, July 1	2,529,245	-	2,529,245	2,529,245	-
Fund Balances, June 30	<u>\$ 1,904,145</u>	<u>-</u>	<u>\$ 1,904,145</u>	<u>\$ 2,566,959</u>	<u>\$ 662,814</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Prior Year Encumbrances	\$ (3,766)		\$ (3,766)	\$ (3,766)	
Increase (Decrease) in Capital Reserve				713	\$ 713
Increase (Decrease) in Maintenance Reserve				368	368
Increase (Decrease) in Tuition Reserve	(300,000)	\$ 300,000			
Budgeted Fund Balance	<u>(321,334)</u>	<u>(300,000)</u>	<u>(621,334)</u>	<u>40,399</u>	<u>661,733</u>
TOTAL	<u>\$ (625,100)</u>	<u>\$ -</u>	<u>\$ (625,100)</u>	<u>\$ 37,714</u>	<u>\$ 662,814</u>
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Excess Surplus:					
Prior Year-Designated for 2015-2016 Budget				\$ 402,904	
Current Year-Designated for 2016-2017 Budget				344,616	
					\$ 747,520
Committed Fund Balance:					
Capital Reserve				573,910	
Maintenance Reserve				296,075	
Tuition Reserve:					
Year 2013-2014				300,000	
Year 2014-2015				300,000	
					1,469,985
Assigned Fund Balance:					
Year-End Encumbrances					15,864
Unassigned Fund Balance					333,590
					2,566,959
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					(166,970)
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 2,399,989</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

WHITE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 151,704		\$ 151,704	\$ 151,704	
<b>TOTAL REVENUES</b>	<b>\$ 151,704</b>	<b>\$ -</b>	<b>\$ 151,704</b>	<b>\$ 151,704</b>	<b>\$ -</b>
EXPENDITURES					
Instruction:					
Salaries	\$ 36,551		\$ 36,551	\$ 36,551	
Totals	36,551	\$ -	36,551	36,551	\$ -
Support Services:					
Employee Benefits	6,724		6,724	6,724	
Purchased Professional and Technical Services	8,012		8,012	8,012	
Tuition	100,417		100,417	100,417	
Total	115,153	-	115,153	115,153	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 151,704</b>	<b>\$ -</b>	<b>\$ 151,704</b>	<b>\$ 151,704</b>	<b>\$ -</b>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 9,135,412	\$ 151,704
Difference-Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	166,178	
State Aid Receivable Current Year	(166,970)	
Total Revenues (GAAP Basis)	\$ 9,134,620	\$ 151,704
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,097,698	\$ 151,704
Total Expenditures (GAAP Basis)	\$ 9,097,698	\$ 151,704

OTHER SUPPLEMENTAL INFORMATION

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

WHITE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	IDEA Basic	IDEA Preschool	NCLB Title IA	NCLB Title IIA	Total 2015
REVENUES					
Federal Sources	\$ 100,417	\$ 5,125	\$ 25,828	\$ 20,334	\$ 151,704
TOTAL REVENUES	<u>\$ 100,417</u>	<u>\$ 5,125</u>	<u>\$ 25,828</u>	<u>\$ 20,334</u>	<u>\$ 151,704</u>
EXPENDITURES					
Instruction:					
Salaries		\$ 4,761	\$ 14,846	\$ 16,944	\$ 36,551
Totals	<u>\$ -</u>	<u>4,761</u>	<u>14,846</u>	<u>16,944</u>	<u>36,551</u>
Support Services:					
Employee Benefits		364	2,970	3,390	6,724
Purchased Professional and Technical Services			8,012		8,012
Tuition	100,417				100,417
Total	<u>100,417</u>	<u>364</u>	<u>10,982</u>	<u>3,390</u>	<u>115,153</u>
TOTAL EXPENDITURES	<u>\$ 100,417</u>	<u>\$ 5,125</u>	<u>\$ 25,828</u>	<u>\$ 20,334</u>	<u>\$ 151,704</u>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

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.

WHITE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
State Sources:	
State Sources-NJ SDA Grant Deobligated	\$ (19,151)
Expenditures and Other Financing Uses:	
Capital Project Expenditures	<u>174,550</u>
Change in Fund Balance	(193,701)
Fund Balance-Beginning	<u>246,950</u>
Fund Balance-End	<u>\$ 53,249</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS-BUDGETARY BASIS-PARTIAL ROOF REPLACEMENT PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-NJ SDA Grant	\$ 155,400	\$ (19,151)	\$ 136,249	\$ 136,249
Local Sources:				
Transfer In	233,100		233,100	233,100
Total Revenues	<u>388,500</u>	<u>(19,151)</u>	<u>369,349</u>	<u>369,349</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional Services				31,000
Construction Services	141,550	174,550	316,100	338,349
Total Expenditures	<u>141,550</u>	<u>174,550</u>	<u>316,100</u>	<u>369,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 246,950</u>	<u>\$ (193,701)</u>	<u>\$ 53,249</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5780-050-14-1001
Grant Date	06/03/14
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 388,500
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 369,349
Percentage Complete	85.58%

**PROPRIETARY FUND**

**DETAIL STATEMENTS**

Proprietary Funds are used to account for 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

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND  
JUNE 30, 2015

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 30,809
Receivables from Other Governments:	
State	143
Federal	1,737
Inventories	3,230
Total Current Assets	<u>35,919</u>
Fixed Assets:	
Capital Assets	38,127
Accumulated Depreciation	17,466
Total Fixed Assets	<u>20,661</u>
Total Assets	<u>56,580</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	357
Unearned Revenue-Commodities	1,198
Unearned Revenue-Prepays	798
Total Current Liabilities	<u>2,353</u>
NET POSITION	
Net Investment in Capital Assets	20,661
Unrestricted	<u>33,566</u>
TOTAL NET POSITION	<u>\$ 54,227</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 35,038
Daily Sales-Nonreimbursable Programs	14,189
Total Operating Revenues	49,227
Operating Expenses:	
Costs of Sales - Reimbursable Programs	29,636
Costs of Sales - Non-Reimbursable Programs	12,104
Salaries	21,214
Employee Benefits	3,041
Purchased Property Services	788
Insurance	2,386
Management Fees	3,768
Other Purchased Services	5,260
Supplies and Materials	4,149
Depreciation	2,925
Total Operating Expenses	85,271
Operating Income (Loss)	(36,044)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	971
Federal Sources:	
Cash Assistance	24,662
Non-Cash Assistance (Commodities)	7,407
Interest Earned on Investments	52
Total Nonoperating Revenues (Expenses)	33,092
Change in Net Position	(2,952)
Total Net Position, Beginning	57,179
Total Net Position, Ending	\$ 54,227

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 48,846
Payments to Food Services Management Company	(73,778)
Payments to Vendors (Net)	(5,631)
Net Cash Provided by (Used For) Operating Activities	(30,563)
Cash Flows from Noncapital Financing Activities:	
State Sources	952
Federal Sources	24,791
Net Cash Provided by (Used For) Noncapital Financing Activities	25,743
Cash Flows from Investing Activities:	
Interest Earned on Investments	52
Net Cash Provided by (Used For) Investing Activities	52
Net Increase (Decrease) in Cash and Cash Equivalents	(4,768)
Cash and Cash Equivalents, July 1, 2014	35,577
Cash and Cash Equivalents, June 30, 2015	\$ 30,809
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (36,044)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	2,925
Federal Food Donation Program	7,134
(Increase) Decrease in Inventory	365
Increase (Decrease) in Deferred Revenue	(381)
Increase (Decrease) in Accounts Payable	(4,562)
Net Cash Provided by (Used For) Operating Activities	\$ (30,563)

**FIDUCIARY FUND**  
**DETAIL STATEMENTS**

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION  
 JUNE 30, 2015

	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS			
Cash & Cash Equivalents	\$ 15,646	\$ -	\$ 15,646
TOTAL ASSETS	<u>\$ 15,646</u>	<u>\$ -</u>	<u>\$ 15,646</u>
LIABILITIES			
Due to Student Groups	\$ 15,646	\$ -	\$ 15,646
TOTAL LIABILITIES	<u>\$ 15,646</u>	<u>\$ -</u>	<u>\$ 15,646</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

WHITE TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance 07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/15</u>
ASSETS				
Cash & Cash Equivalents	<u>\$ 16,454</u>	<u>\$ 35,219</u>	<u>\$ 36,027</u>	<u>\$ 15,646</u>
TOTAL ASSETS	<u><u>\$ 16,454</u></u>	<u><u>\$ 35,219</u></u>	<u><u>\$ 36,027</u></u>	<u><u>\$ 15,646</u></u>
LIABILITIES				
Class Funds	<u>\$ 16,454</u>	<u>\$ 35,219</u>	<u>\$ 36,027</u>	<u>\$ 15,646</u>
TOTAL LIABILITIES	<u><u>\$ 16,454</u></u>	<u><u>\$ 35,219</u></u>	<u><u>\$ 36,027</u></u>	<u><u>\$ 15,646</u></u>

WHITE TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance 07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/15</u>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 6	\$ 3,445,740	\$ 3,445,746	\$ -
<b>TOTAL ASSETS</b>	<u>\$ 6</u>	<u>\$ 3,445,740</u>	<u>\$ 3,445,746</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 6	\$ 1,514,409	\$ 1,514,415	\$ -
Net Payroll		<u>1,931,331</u>	<u>1,931,331</u>	
<b>TOTAL LIABILITIES</b>	<u>\$ 6</u>	<u>\$ 3,445,740</u>	<u>\$ 3,445,746</u>	<u>\$ -</u>

**LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

WHITE TOWNSHIP SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15
			Date	Amount					
2007 Refunding Bonds	08/15/07	\$ 3,080,000	08/15/15	\$ 340,000	4.00%	\$ 1,390,000		\$ 325,000	\$ 1,065,000
			08/15/16	355,000					
			08/15/17	370,000					
						<u>\$ 1,390,000</u>	<u>\$ -</u>	<u>\$ 325,000</u>	<u>\$ 1,065,000</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF EARLY INCENTIVE RETIREMENT OBLIGATION  
 JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Balance 07/01/14	Issued	Retired	Balance 06/30/15
			Date	Amount				
Early Retirement Incentive Program-TPAF	04/01/95	\$ 746,064	04/01/16 to 04/01/21	\$ 26,322	\$ 184,254		\$ 26,322	\$ 157,932
					<u>\$ 184,254</u>	<u>\$ -</u>	<u>\$ 26,322</u>	<u>\$ 157,932</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 326,587		\$ 326,587	\$ 326,587	
State Source:					
Debt Service Aid Type II	47,513		47,513	47,513	
Total Revenues	<u>374,100</u>	<u>\$ -</u>	<u>374,100</u>	<u>374,100</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest	49,100		49,100	49,100	
Redemption of Principal	325,000		325,000	325,000	
Total Expenditures	<u>374,100</u>	<u>-</u>	<u>374,100</u>	<u>374,100</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATISTICAL SECTION**

WHITE TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These Schedules Contain Trend Information to Help the Reader Assess the District's Most Significant Local Revenue Sources, the Property Tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These Schedules Contain Trend Information to Help the Reader Assess the Affordability of the District's Current Levels of Outstanding Debt and the District's Ability to Issue Additional Debt in the Future.	J-10 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These Schedules Offer Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-16 to J-20

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year. The District Implemented GASB Statement 34 in the Fiscal Year Ending June 30, 2004; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

WHITE TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GOVERNMENT ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 1,471,668	\$ 1,044,189	\$ 1,257,371	\$ 1,353,502	\$ 1,602,141	\$ 1,725,506	\$ 1,926,306	\$ 2,082,641	\$ 2,692,112	\$ 3,042,681
Restricted	(44,065)	(80,528)	121,513	221,898	195,758	526,109	851,367	1,267,640	1,715,854	1,523,234
Unrestricted	(763,542)	(277,874)	(358,826)	(621,603)	(448,937)	(188,379)	71,150	478,722	(214,653)	(168,509)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSET</b>	<b>\$ 664,061</b>	<b>\$ 685,787</b>	<b>\$ 1,020,058</b>	<b>\$ 953,797</b>	<b>\$ 1,348,962</b>	<b>\$ 2,063,236</b>	<b>\$ 2,848,823</b>	<b>\$ 3,829,003</b>	<b>\$ 4,193,313</b>	<b>\$ 4,397,406</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 2,150	\$ 8,257	\$ 7,438	\$ 8,309	\$ 15,841	\$ 14,123	\$ 29,905	\$ 26,729	\$ 23,586	\$ 20,661
Unrestricted	42,441	33,625	23,395	23,872	15,353	11,252	17,027	25,879	33,593	33,566
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 44,591</b>	<b>\$ 41,882</b>	<b>\$ 30,833</b>	<b>\$ 32,181</b>	<b>\$ 31,194</b>	<b>\$ 25,375</b>	<b>\$ 46,932</b>	<b>\$ 52,608</b>	<b>\$ 57,179</b>	<b>\$ 54,227</b>
<b>DISTRICT-WIDE</b>										
Net Investment in Capital Assets	\$ 1,473,818	\$ 1,052,446	\$ 1,264,809	\$ 1,361,811	\$ 1,617,982	\$ 1,739,629	\$ 1,956,211	\$ 2,109,370	\$ 2,715,698	\$ 3,063,342
Restricted	(44,065)	(80,528)	121,513	221,898	195,758	526,109	851,367	1,267,640	1,715,854	1,523,234
Unrestricted	(721,101)	(244,249)	(335,431)	(597,731)	(433,584)	(177,127)	88,177	504,601	(181,060)	(134,943)
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 708,652</b>	<b>\$ 727,669</b>	<b>\$ 1,050,891</b>	<b>\$ 985,978</b>	<b>\$ 1,380,156</b>	<b>\$ 2,088,611</b>	<b>\$ 2,895,755</b>	<b>\$ 3,881,611</b>	<b>\$ 4,250,492</b>	<b>\$ 4,451,633</b>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 2,998,220	\$ 2,949,638	\$ 2,876,801	\$ 2,694,505	\$ 2,556,623	\$ 2,177,363	\$ 2,427,233	\$ 2,449,338	\$ 2,360,716	\$ 2,985,252
Special Education	464,035	621,648	760,145	755,833	717,918	818,748	667,961	701,014	798,493	919,796
Other Special Education	120,239	102,695	152,069	143,671	139,610	157,687	147,132	198,461	206,751	221,667
Other Instruction		30,227	16,905	35,910	2,099	1,378	663	1,132	383	982
Support Services:										
Tuition	1,874,298	2,171,129	2,462,511	2,859,364	3,249,258	3,045,211	2,949,820	2,515,720	2,548,138	3,108,677
Student & Instruction Related Services	941,522	917,972	921,789	930,583	914,596	885,676	970,743	987,926	1,127,889	1,234,975
General & Business Administrative Services	412,973	426,434	509,173	467,406	452,409	346,582	385,190	345,141	365,629	354,491
School Administrative Services	46,716	106,479	54,620	90,254	105,794	193,206	191,741	198,605	200,577	233,628
Plant Operations & Maintenance	459,242	486,522	445,067	489,361	482,056	451,178	461,876	537,378	498,616	464,085
Pupil Transportation	628,267	650,995	594,097	643,560	517,216	464,662	494,354	477,124	512,010	547,657
Special Schools	29,475	1,779	4,164							
Transfer of Funds to Charter Schools						8,775	9,895	766	11,187	11,094
Interest on Long-Term Debt	184,666	171,933	133,108	121,574	110,724	103,797	91,189	73,012	62,280	49,330
Unallocated Depreciation	35,308									
<b>Total Governmental Activities Expenses</b>	<b>8,194,961</b>	<b>8,637,451</b>	<b>8,930,449</b>	<b>9,232,021</b>	<b>9,248,303</b>	<b>8,654,263</b>	<b>8,797,797</b>	<b>8,485,617</b>	<b>8,692,669</b>	<b>10,131,634</b>
Business-Type Activities:										
Food Services	125,268	122,673	133,288	118,938	122,303	121,564	101,659	80,338	82,584	85,271
After School Program					2,959					
<b>Total Business-Type Activities</b>	<b>125,268</b>	<b>122,673</b>	<b>133,288</b>	<b>118,938</b>	<b>125,262</b>	<b>121,564</b>	<b>101,659</b>	<b>80,338</b>	<b>82,584</b>	<b>85,271</b>
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 8,320,229</b>	<b>\$ 8,760,124</b>	<b>\$ 9,063,737</b>	<b>\$ 9,350,959</b>	<b>\$ 9,373,565</b>	<b>\$ 8,775,827</b>	<b>\$ 8,899,456</b>	<b>\$ 8,565,955</b>	<b>\$ 8,775,253</b>	<b>\$ 10,216,905</b>

WHITE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Operating Grants & Contributions	\$ 483,329	\$ 350,830	\$ 241,638	\$ 211,096	\$ 304,443	\$ 284,652	\$ 228,288	\$ 204,465	\$ 185,742	\$ 151,704
Capital Grants & Contributions									155,400	
Charges for Services	9,318								23,737	11,250
<b>Total Governmental Activities Program Revenues</b>	<b>492,647</b>	<b>350,830</b>	<b>241,638</b>	<b>211,096</b>	<b>304,443</b>	<b>284,652</b>	<b>228,288</b>	<b>204,465</b>	<b>364,879</b>	<b>162,954</b>
Business-Type Activities:										
Charges for Services:										
Food Service	104,393	98,422	95,993	92,623	83,216	83,684	73,060	56,243	52,855	49,227
After School Program					5,094					
Operating Grants & Contributions	17,771	23,735	25,199	27,557	35,901	32,028	32,635	31,873	34,256	33,040
<b>Total Business-Type Activities Program Revenues</b>	<b>122,164</b>	<b>122,157</b>	<b>121,192</b>	<b>120,180</b>	<b>124,211</b>	<b>115,712</b>	<b>105,695</b>	<b>88,116</b>	<b>87,111</b>	<b>82,267</b>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<b>\$ 614,811</b>	<b>\$ 472,987</b>	<b>\$ 362,830</b>	<b>\$ 331,276</b>	<b>\$ 428,654</b>	<b>\$ 400,364</b>	<b>\$ 333,983</b>	<b>\$ 292,581</b>	<b>\$ 451,990</b>	<b>\$ 245,221</b>
<b>NET (EXPENSE) REVENUES</b>										
Governmental Activities	\$ (7,702,314)	\$ (8,286,621)	\$ (8,688,811)	\$ (9,020,925)	\$ (8,943,860)	\$ (8,369,611)	\$ (8,569,509)	\$ (8,281,152)	\$ (8,327,790)	\$ (9,968,680)
Business-Type Activities	(3,104)	(516)	(12,096)	1,242	(1,051)	(5,852)	4,036	7,778	4,527	(3,004)
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<b>\$ (7,705,418)</b>	<b>\$ (8,287,137)</b>	<b>\$ (8,700,907)</b>	<b>\$ (9,019,683)</b>	<b>\$ (8,944,911)</b>	<b>\$ (8,375,463)</b>	<b>\$ (8,565,473)</b>	<b>\$ (8,273,374)</b>	<b>\$ (8,323,263)</b>	<b>\$ (9,971,684)</b>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,365,445	\$ 5,682,676	\$ 5,902,317	\$ 6,138,406	\$ 6,383,940	\$ 6,581,939	\$ 6,581,939	\$ 6,609,124	\$ 6,609,124	\$ 6,741,306
Taxes Levied for Debt Service	408,566	345,857	410,321	316,396	295,673	324,840	323,412	326,674	329,031	326,587
Unrestricted Grants & Contributions	2,392,662	2,595,803	2,676,861	2,473,335	2,594,473	2,152,484	2,414,151	2,346,118	2,326,046	3,102,630
Capital Grants-Unallocated					44,145					
Capital Grants Deobligated										(19,151)
Investment Earnings	18,501	30,949	24,450	9,133	5,515	3,059	2,568	4,725	4,216	3,639
Miscellaneous Income	2,261	880	9,723	17,394	15,279	21,563	13,653	2,865	10,344	17,762
Operating Transfer							(17,500)	2,135		
Write Off of Prior Year Accounts Receivable		(8,922)								
Unfinanced Capital Project Balance Cancelled			(590)							
Insurance Claim Proceeds for Storm Damage								12,564		
<b>Total Governmental Activities</b>	<b>8,187,435</b>	<b>8,647,243</b>	<b>9,023,082</b>	<b>8,954,664</b>	<b>9,339,025</b>	<b>9,083,885</b>	<b>9,318,223</b>	<b>9,304,205</b>	<b>9,278,761</b>	<b>10,172,773</b>

WHITE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Investment Earnings	\$ 169	\$ 134	\$ 138	\$ 106	\$ 64	\$ 33	\$ 21	\$ 33	\$ 44	\$ 52
Write Off of Prior Year Accounts Receivable		(2,327)								
Miscellaneous Income			909							
Transfers							17,500	(2,135)		
Total Business-Type Activities	169	(2,193)	1,047	106	64	33	17,521	(2,102)	44	52
TOTAL DISTRICT-WIDE	<u>\$ 8,187,604</u>	<u>\$ 8,645,050</u>	<u>\$ 9,024,129</u>	<u>\$ 8,954,770</u>	<u>\$ 9,339,089</u>	<u>\$ 9,083,918</u>	<u>\$ 9,335,744</u>	<u>\$ 9,302,103</u>	<u>\$ 9,278,805</u>	<u>\$ 10,172,825</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 485,121	\$ 360,622	\$ 334,271	\$ (66,261)	\$ 395,165	\$ 714,274	\$ 748,714	\$ 1,023,053	\$ 950,971	\$ 204,093
Business-Type Activities	(2,935)	(2,709)	(11,049)	1,348	(987)	(5,819)	21,557	5,676	4,571	(2,952)
TOTAL DISTRICT	<u>\$ 482,186</u>	<u>\$ 357,913</u>	<u>\$ 323,222</u>	<u>\$ (64,913)</u>	<u>\$ 394,178</u>	<u>\$ 708,455</u>	<u>\$ 770,271</u>	<u>\$ 1,028,729</u>	<u>\$ 955,542</u>	<u>\$ 201,141</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 55,689	\$ 180,377	\$ 150,813	\$ 26,125	\$ 25,925	\$ 262,040	\$ 488,090	\$ 573,309	\$ 724,238	\$ 747,520
Committed	1	1	100,005	134,144	195,377	525,728	851,367	1,267,640	1,468,904	1,469,985
Assigned	42,185	107,834	15,296		25,000			294,380	3,766	15,864
Unassigned	115,495	230,143	229,222	63,731	134,164	136,900	133,663	150,952	166,159	166,620
<b>Total General Fund</b>	<b>\$ 213,370</b>	<b>\$ 518,355</b>	<b>\$ 495,336</b>	<b>\$ 224,000</b>	<b>\$ 380,466</b>	<b>\$ 924,668</b>	<b>\$ 1,473,120</b>	<b>\$ 2,286,281</b>	<b>\$ 2,363,067</b>	<b>\$ 2,399,989</b>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ (163,089)	\$ (80,529)		\$ 66,218					\$ 246,950	\$ 53,249
Debt Service Fund	63,423	89	\$ 21,508	21,536	\$ 381	\$ 381				
<b>Total All Other Governmental Funds</b>	<b>\$ (99,666)</b>	<b>\$ (80,440)</b>	<b>\$ 21,508</b>	<b>\$ 87,754</b>	<b>\$ 381</b>	<b>\$ 381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 246,950</b>	<b>\$ 53,249</b>

WHITE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 5,774,011	\$ 6,028,533	\$ 6,312,638	\$ 6,454,802	\$ 6,679,613	\$ 6,906,779	\$ 6,905,351	\$ 6,935,798	\$ 6,938,155	\$ 7,067,893
Tuition Charges	9,318		5,597						8,931	11,250
Interest Earnings	18,501	30,949	24,450	9,133	5,515	3,059	2,568	4,725	4,216	3,639
Miscellaneous	2,261	880	4,126	17,394	15,279	21,563	13,653	2,865	10,361	17,762
State Sources	2,393,432	2,726,994	2,707,797	2,473,592	2,566,779	2,152,484	2,342,310	2,346,118	2,326,046	2,408,176
State Sources-Capital Projects									155,400	
Federal Sources	482,559	219,639	210,702	210,839	376,282	284,652	294,129	204,465	185,742	151,704
<b>Total Revenues</b>	<b>8,680,082</b>	<b>9,006,995</b>	<b>9,265,310</b>	<b>9,165,760</b>	<b>9,643,468</b>	<b>9,368,537</b>	<b>9,558,011</b>	<b>9,493,971</b>	<b>9,628,851</b>	<b>9,660,424</b>
Expenditures:										
Instruction:										
Regular Instruction	1,948,065	1,798,835	1,815,036	1,718,316	1,609,654	1,368,102	1,482,738	1,599,137	1,609,987	1,706,640
Special Education Instruction	346,357	351,540	470,419	491,261	367,622	517,487	502,051	472,467	497,309	527,713
Other Special Instruction	89,747	76,171	92,955	110,009	81,868	68,275	65,945	97,030	132,223	122,312
Other Instruction		27,850	16,238	34,353	2,000	1,311	633	1,083	370	947
Support Services:										
Tuition	1,874,298	2,037,443	2,327,595	2,723,858	3,121,258	2,868,854	2,820,751	2,390,976	2,431,662	3,008,260
Student & Instruction Related Services	702,755	529,476	651,078	696,947	667,840	623,591	624,523	648,311	795,184	776,791
General & Business Administrative Services	308,244	291,180	352,263	347,745	315,802	285,782	290,343	297,435	318,827	316,050
School Administrative Services	34,869	75,925	28,492	61,000	72,494	110,468	109,089	115,924	118,911	123,020
Plant Operations & Maintenance	342,780	437,364	420,332	404,401	382,190	383,923	377,404	473,143	412,165	382,450
Pupil Transportation	628,267	650,995	594,097	643,560	517,216	464,662	494,354	477,124	512,010	547,657
Employee Benefits	1,406,696	1,623,748	1,656,369	1,551,332	1,610,061	1,462,683	1,550,379	1,540,137	1,420,533	1,556,675
Special Schools	22,000	1,639	4,000							
Transfer of Funds to Charter Schools						8,775	9,895	766	11,187	11,094
Capital Outlay	80,725	37,796	151,908	8,800	149,380		68,735		314,233	18,089
Special Revenue Funds		350,830	241,638	211,096	304,443	284,652	222,288	204,465	185,742	151,704
Capital Projects Fund									141,550	174,550
Debt Service:										
Principal	277,560	287,560	302,560	250,000	265,000	275,000	285,000	300,000	341,322	325,000
Interest & Other Charges	187,416	178,070	143,371	118,172	107,547	100,770	88,312	77,511	61,900	49,100
<b>Total Expenditures</b>	<b>8,249,779</b>	<b>8,756,422</b>	<b>9,268,351</b>	<b>9,370,850</b>	<b>9,574,375</b>	<b>8,824,335</b>	<b>8,992,440</b>	<b>8,695,509</b>	<b>9,305,115</b>	<b>9,798,052</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,303	250,573	(3,041)	(205,090)	69,093	544,202	565,571	798,462	323,736	(137,628)
Other Financing Sources (Uses):										
Temporary Note Redeemed	82,560	82,560	82,560							
Unfinanced Capital Project Balance Cancelled			(590)							
Write Off of Prior Year Receivables		(8,922)								
Insurance Claim Proceeds for Storm Damage								12,564		
Capital Grants Deobligated										(19,151)
Transfers In (Out)							(17,500)	2,135		
<b>Total Other Financing Sources (Uses)</b>	<b>82,560</b>	<b>73,638</b>	<b>81,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,500)</b>	<b>14,699</b>	<b>-</b>	<b>(19,151)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 512,863</b>	<b>\$ 324,211</b>	<b>\$ 78,929</b>	<b>\$ (205,090)</b>	<b>\$ 69,093</b>	<b>\$ 544,202</b>	<b>\$ 548,071</b>	<b>\$ 813,161</b>	<b>\$ 323,736</b>	<b>\$ (156,779)</b>
Debt Service as a Percentage of Non- capital Expenditures	6.04%	5.64%	5.14%	4.09%	4.12%	4.45%	4.37%	4.54%	4.70%	3.98%

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects and debt service.

WHITE TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 18,501	\$ 30,949	\$ 24,450	\$ 9,133	\$ 5,515	\$ 3,059	\$ 2,568	\$ 4,725	\$ 4,216	\$ 3,639
Tuition	9,318		5,597						8,931	11,250
Prior Year Refunds	453	780	33	7,718	11,696	17,604	9,207	93	1,501	16,757
Prior Year Voided Checks			889			3,479		120		
Recycling Sales		100	100			100				
Accounts Payable Canceled			1,291	7,483					6,938	
Sale of Old Text Books			1,356		160					
Contributions			255	363	2,990	200	553			
Asbestos Litigation			196							
Book Fines				700	43					
Copies					75				17	
Photo Commissions				708						
Miscellaneous Refunds					300	180	150			
Payroll Excess							3,743	2,652		
Safety Incentive Grant										1,000
Miscellaneous Other	1,808		6	422	15				1,905	5
<b>Annual Totals</b>	<b>\$ 30,080</b>	<b>\$ 31,829</b>	<b>\$ 34,173</b>	<b>\$ 26,527</b>	<b>\$ 20,794</b>	<b>\$ 24,622</b>	<b>\$ 16,221</b>	<b>\$ 7,590</b>	<b>\$ 23,508</b>	<b>\$ 32,651</b>

Source: District Records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 17,134,177	\$ 16,133,227	\$ 15,468,627	\$ 15,238,327	\$ 14,146,827	\$ 13,958,727	\$ 13,669,927	\$ 14,998,027	\$ 13,266,027	\$ 13,341,627
Residential	394,545,500	409,994,750	413,182,700	414,181,200	415,704,700	415,774,300	415,654,500	414,805,300	407,779,900	402,774,500
Farm Regular	35,733,750	34,962,750	41,291,800	41,180,500	41,369,300	41,478,100	41,596,000	41,490,600	41,591,600	42,083,900
Qualified Farm	3,539,605	3,697,205	3,401,421	3,442,571	3,432,571	3,427,971	3,394,871	3,370,971	3,385,471	3,295,981
Commercial	41,477,700	39,688,000	41,482,200	41,499,400	45,884,300	48,096,300	46,704,400	46,955,300	48,384,700	48,136,000
Industrial	119,562,250	110,802,250	109,569,800	49,320,900	49,320,900	49,570,900	49,826,300	49,826,300	49,826,300	49,826,300
Apartment	6,072,100	6,112,100	5,478,400	4,874,500	4,927,600	4,927,600	4,927,600	4,927,600	4,927,600	4,927,600
<b>Total Assessed Value</b>	<b>618,065,082</b>	<b>621,390,282</b>	<b>629,874,948</b>	<b>569,737,398</b>	<b>574,786,198</b>	<b>577,233,898</b>	<b>575,773,598</b>	<b>576,374,098</b>	<b>569,161,598</b>	<b>564,385,908</b>
Public Utilities (a)	1,564,824	1,278,491	1,167,340	1,008,510	1,405,320	1,719,105	1,892,670	1,984,266	1,949,347	-
<b>Net Valuation Taxable</b>	<b>\$ 619,629,906</b>	<b>\$ 622,668,773</b>	<b>\$ 631,042,288</b>	<b>\$ 570,745,908</b>	<b>\$ 576,191,518</b>	<b>\$ 578,953,003</b>	<b>\$ 577,666,268</b>	<b>\$ 578,358,364</b>	<b>\$ 571,110,945</b>	<b>\$ 564,385,908</b>
Estimated Actual County Equalized) Value	\$ 593,809,462	\$ 746,873,903	\$ 786,449,659	\$ 712,274,938	\$ 733,628,111	\$ 659,324,681	\$ 629,746,285	\$ 564,465,088	\$ 533,677,297	\$ 513,731,939
Percentage of Net Valuations to Estimated Actual County Equalized Value	104.35%	83.37%	80.24%	80.13%	78.54%	87.81%	91.73%	102.46%	107.01%	109.86%
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 0.953</b>	<b>\$ 1.014</b>	<b>\$ 1.023</b>	<b>\$ 1.170</b>	<b>\$ 1.199</b>	<b>\$ 1.193</b>	<b>\$ 1.201</b>	<b>\$ 1.200</b>	<b>\$ 1.237</b>	<b>\$ 1.276</b>

Source: Municipal Tax Assessor

- NOTE** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies
  - (b) Tax rates are per \$100
  - \* Revalued/Reassessed

WHITE TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate			Overlapping Rates				Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Regional School Debt	Municipality	County	County Library	
2006	\$ 0.882	\$ 0.071	\$ 0.953		\$ 0.021	\$ 0.611	\$ 0.055	\$ 1.640
2007	0.953	0.060	1.013		0.070	0.530	0.063	1.676
2008	0.973	0.050	1.023		0.079	0.697	0.065	1.864
2009	1.118	0.052	1.170		0.103	0.699	0.066	2.038
2010	1.139	0.060	1.199		0.110	0.641	0.062	2.012
2011	1.137	0.056	1.193		0.110	0.590	0.056	1.949
2012	1.145	0.056	1.201		0.117	0.627	0.053	1.998
2013	1.142	0.057	1.199		0.117	0.568	0.050	1.934
2014	1.180	0.057	1.237		0.118	0.671	0.051	2.077
2015	1.218	0.058	1.276		0.118	0.651	0.049	2.094

Sources: Municipal Tax Collector

**NOTE:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

\* Revalued/Reassessed

WHITE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
DSM Nutritional Products	\$ 43,098,600	1	7.64%	\$ 113,730,700	1	18.35%
Brookfield Senior Living, LLC	7,984,500	2	1.41%			
Country View Village	5,206,500	3	0.92%	5,206,500	3	0.84%
Windtryst Limited	4,598,600	4	0.81%	4,598,600	4	0.74%
Hike Enterprises, LL C	4,500,000	5	0.80%	6,994,800	2	1.13%
Tilcon	3,587,800	6	0.64%			
Apple Mountain Recreation	2,961,800	7	0.52%	3,339,100	5	0.54%
BASF Corp	2,861,800	8	0.51%	2,836,600	6	0.46%
Individual Taxpayer	2,217,100	9	0.39%	1,200,000	10	0.19%
Naceville Materials JV	2,169,200	10	0.38%			
United Telephone Company				1,564,824	7	0.25%
Desapio Properties				1,158,900	8	0.19%
White 46 Associates, LLC				1,316,900	9	0.21%
	<u>\$ 79,185,900</u>		<u>14.03%</u>	<u>\$ 141,946,924</u>		<u>22.91%</u>

Source: Municipal Tax Assessor

WHITE TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 9,771,528	\$ 9,464,311	96.86%
2006	10,401,640	10,171,074	97.78%
2007	10,590,366	10,429,866	98.48%
2008	11,888,042	11,663,250	98.11%
2009	11,716,328	11,520,776	98.33%
2010	11,631,107	11,405,143	98.06%
2011	11,285,173	11,031,441	97.75%
2012	11,611,202	11,330,837	97.59%
2013	11,199,343	10,750,794	95.99%
2014	11,867,591	11,366,124	95.77%

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

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a  
(a) municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

WHITE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 4,091,028			\$ 165,120		\$ 4,256,148	2.00%	\$ 764
2007	3,847,478			82,560		3,930,038	1.69%	684
2008	3,669,304					3,669,304	1.46%	626
2009	3,379,438					3,379,438	1.30%	573
2010	3,073,837					3,073,837	1.18%	520
2011	2,757,458					2,757,458	1.29%	565
2012	2,430,255					2,430,255	1.09%	501
2013	2,087,177					2,087,177	0.90%	434
2014	1,574,254					1,574,254	N/A	330
2015	1,222,932					1,222,932	N/A	256

**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.
- (b) Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation	Deductions	Net General Bonded Debt		
	Bonds		Outstanding		
2006	\$ 3,424,000		\$ 3,424,000	0.55%	\$ 596
2007	3,219,000		3,219,000	0.52%	549
2008	3,080,000		3,080,000	0.49%	522
2009	2,830,000		2,830,000	0.50%	478
2010	2,565,000		2,565,000	0.45%	526
2011	2,290,000		2,290,000	0.40%	472
2012	2,005,000		2,005,000	0.35%	417
2013	1,705,000		1,705,000	0.29%	357
2014	1,390,000		1,390,000	0.24%	291
2015	1,065,000		1,065,000	0.19%	223

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

- (a) See Exhibit NJ J-6 for property tax data.
- (b) Population data can be found in Exhibit NJ J-14.
- \* Revalued / Reassessed

WHITE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 786,954	100.00%	\$ 786,954
County General Obligation Debt	12,597,456	4.97%	<u>625,608</u>
Subtotal, Overlapping Debt			1,412,562
School District Direct Debt			<u>1,065,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 2,477,562</u></u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages  
Provided by the County Board of Taxation. Debt Outstanding Data  
Provided by Each Governmental Unit.

Note: Overlapping Governments are those that Coincide, at least in Part, with the Geographic Boundaries of the District. This Schedule Estimates the Portion of the Outstanding Debt of Those Overlapping Governments that is Borne by the Residents and Businesses of the Municipality. This Process Recognizes that, when Considering the District's Ability to Issue and Repay Long-Term Debt, the Entire Debt Burden Borne by the Residents and Businesses Should be Taken into Account. However this Does Not Imply that Every Taxpayer is a resident, and Therefore Responsible for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is Within the District's Boundaries and Dividing it by Each Unit's Total Taxable Value.

WHITE TOWNSHIP SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION,  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis	
2014	\$ 518,079,008
2013	538,466,086
2012	<u>561,894,797</u>
	<u>\$ 1,618,439,891</u>
Average Equalized Valuation of Taxable Property	
	<u>\$ 539,479,964</u>
Debt Limit (4.0% of Average Equalization Value)	
	\$ 21,579,199 (a)
Total Net Debt Applicable to Limit	
	<u>1,065,000</u>
Legal Debt Margin	
	<u>\$ 20,514,199</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>
Debt Limit	\$ 23,499,188	\$ 26,441,552	\$ 28,999,459	\$ 30,694,966	\$ 30,482,414	\$ 28,880,750	\$ 26,790,198	\$ 24,609,989	\$ 23,061,811	\$ 21,579,199
Total Net Debt Applicable	<u>3,589,120</u>	<u>3,301,560</u>	<u>3,080,000</u>	<u>2,830,000</u>	<u>2,565,000</u>	<u>2,290,000</u>	<u>2,005,000</u>	<u>1,705,000</u>	<u>1,390,000</u>	<u>1,065,000</u>
Legal Debt Margin	<u>\$ 19,910,068</u>	<u>\$ 23,139,992</u>	<u>\$ 25,919,459</u>	<u>\$ 27,864,966</u>	<u>\$ 27,917,414</u>	<u>\$ 26,590,750</u>	<u>\$ 24,785,198</u>	<u>\$ 22,904,989</u>	<u>\$ 21,671,811</u>	<u>\$ 20,514,199</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.27%	12.49%	10.62%	9.22%	8.41%	7.93%	7.48%	6.93%	6.03%	4.94%

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

WHITE TOWNSHIP SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population ( a )</u>	<u>Personal Income ( b )</u>	<u>Per Capita Personal Income ( c )</u>	<u>Unemployment Rate ( d )</u>
2006	5,743	\$ 232,947,566	\$ 40,562	2.9%
2007	5,863	251,047,797	42,819	2.6%
2008	5,899	260,022,021	44,079	3.5%
2009	5,915	259,431,900	43,860	6.4%
2010	4,878	214,622,244	43,998	6.6%
2011	4,851	223,199,361	46,011	6.1%
2012	4,800	228,336,000	47,570	5.9%
2013	4,797	235,244,880	49,040	6.7%
2014	4,769	N/A	N/A	6.1%
2015	N/A	N/A	N/A	N/A

Sources:

- ( a ) Population Information Provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal Income has Been Estimated Based Upon the Municipal Population and Per Capita Personal Income Presented
- ( c ) Per Capita Personal Income by County Estimated Based Upon the 2010 Census Published by the US Bureau of Economic Analysis
- ( d ) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

WHITE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

WHITE TOWNSHIP SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	29.0	28.0	28.0	28.0	26.0	24.0	25.0	25.0	25.0	25.0
Special Education	2.0	2.0	4.0	4.0	6.0	9.0	9.0	10.0	10.0	10.0
Other Special Education	4.0	4.0	3.0	3.0	3.0					
Other Instruction	8.0	7.5	7.5	15.0	9.0	8.0	7.0	6.0	5.0	4.0
Support Services:										
Student and Instruction Related Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
General Administration	2.0	2.0	2.0	2.0	2.0					
School Administration Services	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Central Services	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	3.0	3.5	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Cafeteria Aides					2.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>56.0</b>	<b>55.0</b>	<b>56.5</b>	<b>64.0</b>	<b>60.0</b>	<b>56.0</b>	<b>56.0</b>	<b>56.0</b>	<b>55.0</b>	<b>54.0</b>

Sources: District Personnel Records

WHITE TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment (d)	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	439	\$ 7,704,078	\$ 17,549	-9.34%	41.0	1 to 10	438.2	421.0	3.30%	96.07%
2007	435	8,252,996	18,972	8.11%	42.0	1 to 10	435.0	414.6	-0.73%	95.32%
2008	427	8,670,512	20,306	7.03%	43.0	1 to 10	424.2	407.0	-2.48%	95.95%
2009	402	8,993,878	22,373	10.18%	43.0	1 to 11	397.4	382.1	-6.32%	96.15%
2010	407	9,052,448	22,242	-0.59%	44.0	1 to 10	406.7	389.3	2.34%	95.72%
2011	381	8,448,565	22,175	-0.30%	41.0	1 to 9.3	381.4	365.3	-6.22%	95.78%
2012	345	8,550,393	24,784	11.77%	40.0	1 to 8.6	344.9	332.1	-9.57%	96.29%
2013	335	8,317,998	24,830	0.19%	40.0	1 to 8.4	335.3	323.7	-2.78%	96.54%
2014	349	8,587,660	24,606	-0.90%	40.0	1 to 8.7	343.3	333.1	2.38%	97.03%
2015	319	9,231,313	28,938	17.60%	40.0	1 to 7.9	319.6	307.5	-6.90%	96.22%

Source: District Records

( a ) Operating Expenditures Equal Total Expenditures, Including High School Tuition, Less Debt Service and Capital Outlay.

( b ) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

( c ) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

( d ) Enrollment does not include grades 9-12

WHITE TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Elementary (1931)</u>										
Square Feet	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341
Capacity (Students)	620	620	620	620	620	620	620	620	620	620
Enrollment	439	435	427	402	407	381	345	335	349	319
Number of Schools at June 30, 2015:										
Elementary	1									
Middle School	0									
High School	0									
Other	0									

District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

<u>Fiscal Year</u>	*School Facilities	<u>Amount</u>	<u>Total</u>
2006		\$ 124,261	\$ 124,261
2007		166,723	166,723
2008		183,463	183,463
2009		161,970	161,970
2010		180,311	180,311
2011		174,642	174,642
2012		157,094	157,094
2013		211,088	211,088
2014		133,946	133,946
2015		118,368	118,368
Total School Facilities		<u>\$ 1,611,866</u>	<u>\$ 1,611,866</u>

\* School Facilities as Defined Under EFCFA.  
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

WHITE TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-NJ Schools Insurance Group (NJSIG):		
Property-Blanket Building and Contents (Policy Limit)	\$ 350,000,000	\$ 1,000
Comprehensive General Liability	11,000,000	
Comprehensive Automobile Liability	11,000,000	
School Leaders Professional Liability	11,000,000	5,000
Comprehensive Crime Coverage	100,000	500
Worker's Compensation-NJ Schools Insurance Group (NJSIG):		
Per Accident, Disease and Disease Limit	5,000,000	
Public Employees' Faithful Performance-Selective Insurance Co.		
School Board Secretary Bond	200,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

October 30, 2015

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the White Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated October 30, 2015.

### **Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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## INDEPENDENT AUDITOR'S REPORT

October 30, 2015

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the White Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board of Education'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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal and State Program

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

## Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133  
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated October 30, 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 schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

WHITE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SCHEDULE A  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
					(Acct Rec) Unearned Rev	Carryover Amount					Accounts Receivable	Unearned Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
NCLB Title IA	84.010A	NCLB-578015	\$ 25,828	07/01/14-06/30/15			\$ 25,828	\$ 25,828					
NCLB Title IIA	84.367A	NCLB-578015	20,334	07/01/14-06/30/15			20,334	20,334					
IDEA Basic	84.027	IDEA-578015	100,417	07/01/14-06/30/15			100,417	100,417					
IDEA Preschool	84.173	IDEA-578015	5,125	07/01/14-06/30/15			5,125	5,125					
Total Special Revenue Fund							151,704	151,704	\$ -	\$ -	\$ -	\$ -	\$ -
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Donation Program	10.550	N/A	8,062	07/01/13-06/30/14		1,471		1,471					
Food Donation Program	10.550	N/A	7,134	07/01/14-06/30/15			7,134	5,936				1,198	
National School Lunch Program	10.555	N/A	25,135	07/01/13-06/30/14		(1,867)	1,867						
National School Lunch Program	10.555	N/A	24,662	07/01/14-06/30/15			22,925	24,662				(1,737)	
Total Enterprise Fund						(396)	31,926	32,069	-	-		(1,737)	1,198
TOTAL FEDERAL FINANCIAL ASSISTANCE						\$ (396)	\$ 183,630	\$ 183,773	\$ -	\$ -	\$ (1,737)	\$ 1,198	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

WHITE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2014 (Acct Rec) Unearned Rev	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2015			Memo	
								Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>General Fund:</b>												
Transportation Aid	15-495-034	\$ 249,609	07/01/14-									
	-5120-014		06/30/15		\$ 225,709	\$ 249,609		\$ (23,900)			\$ (23,900)	\$ 249,609
Transportation Aid	14-495-034	249,609	07/01/13-									
	-5120-014		06/30/14	\$ (23,916)	23,916							
Equalization Aid	15-495-034	581,054	07/01/14-									
	-5120-078		06/30/15		525,417	581,054		(55,637)			(55,637)	581,054
Equalization Aid	14-495-034	581,054	07/01/13-									
	-5120-078		06/30/14	(55,674)	55,674							
Security Aid	14-495-034	49,562	07/01/13-									
	-5120-084		06/30/14	(4,749)	4,749							
Security Aid	15-495-034	49,562	07/01/14-									
	-5120-084		06/30/15		44,816	49,562		(4,746)			(4,746)	49,562
Adjustment Aid	14-495-034	540,496	07/01/13-									
	-5120-085		06/30/14	(51,787)	51,787							
Adjustment Aid	15-495-034	540,496	07/01/14-									
	-5120-085		06/30/15		488,743	540,496		(51,753)			(51,753)	540,496
PARCC Readiness Aid	15-495-034	4,710	07/01/14-									
	-5120-098		06/30/15		4,259	4,710		(451)			(451)	4,710
Per Pupil Growth Aid	15-495-034	4,710	07/01/14-									
	-5120-097		06/30/15		4,259	4,710		(451)			(451)	4,710
Special Education Aid	14-495-034	313,648	07/01/13-									
	-5120-089		06/30/14	(30,052)	30,052							
Special Education Aid	15-495-034	313,648	07/01/14-									
	-5120-089		06/30/15		283,616	313,648		(30,032)			(30,032)	313,648
Extraordinary Special Education Costs Aid	14-100-034	80,155	07/01/13-									
	-5120-473		06/30/14	(79,327)	80,155	828						828
Extraordinary Special Education Costs Aid	15-100-034	76,925	07/01/14-									
	-5120-473		06/30/15			76,925		(76,925)			(76,925)	76,925
Non Public School Transportation	14-495-034	3,010	07/01/13-									
	-5120-014		06/30/14	(3,010)	3,010							
Non Public School Transportation	15-495-034	5,837	07/01/14-									
	-5120-014		06/30/15			5,837		(5,837)			(5,837)	5,837
Reimbursed TPAF Social Security Contribution	15-495-034	190,288	07/01/14-									
	-5094-003		06/30/15		190,288	190,288						190,288
On-Behalf TPAF Pension Contribution- Normal Cost and Accrued Liability	15-495-034	123,948	07/01/14-									
	-5094-006		06/30/15		123,948	123,948						123,948
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	15-495-034	8,917	07/01/14-									
	-5094-007		06/30/15		8,917	8,917						8,917
On-Behalf TPAF Pension Contribution- Post Retirement Medical	15-495-034	210,923	07/01/14-									
	-5094-001		06/30/15		210,923	210,923						210,923
<b>Total General Fund</b>				<u>(248,515)</u>	<u>2,360,238</u>	<u>2,361,455</u>	<u>\$ -</u>	<u>(249,732)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(249,732)</u>	<u>2,361,455</u>
<b>Capital Projects Fund:</b>												
NJ School Development Authority: Partial Roof Replacement Project	5780-050	155,400	06/07/14-									
	-14-1001		06/30/16	(155,400)	136,249	-	19,151	-	-	-	-	136,249

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

WHITE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2014 (Acct Rec) Unearned Rev	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2015			Memo	
								Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education Debt Service Fund</u>												
Debt Service Aid-State Support	15-495-034-5120-017	\$ 47,513	07/01/14-06/30/15	\$ -	\$ 47,513	\$ 47,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,513
<u>State Department of Agriculture Enterprise Fund:</u>												
National School Lunch Program (St Share)	15-100-010-3350-023	971	07/01/14-06/30/15		828	971		(143)			(143)	971
National School Lunch Program (St Share)	14-100-010-3350-023	1,048	07/01/13-06/30/14	(123)	123							
Total Enterprise Fund				(123)	951	971	-	(143)	-	-	(143)	971
TOTAL STATE FINANCIAL ASSISTANCE				\$ (404,038)	\$ 2,544,951	\$ 2,409,939	\$ 19,151	\$ (249,875)	\$ -	\$ -	\$ (249,875)	\$ 2,546,188

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$792 for the general fund and (\$-0-) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-1 for the capital projects fund.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,360,663	\$ 2,360,663
Special Revenue Fund	\$ 151,704		151,704
Food Service Fund	32,069	971	33,040
Debt Service Fund		47,513	47,513
	<u>\$ 183,773</u>	<u>\$ 2,409,147</u>	<u>\$ 2,592,920</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015  
(Continued)

**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 USDA Commodities Program represent 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 Contribution 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.



WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \_\_\_\_\_

Auditee qualified as a low-risk auditee        Yes        No

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

Type of Auditor's Report Issued on Compliance  
for Major Programs:        Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified?        Yes        X No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?        Yes        X No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 15-08?        Yes        X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5120-014	\$ 249,609	Transportation Aid
15-495-034-5120-078	581,054	Equalization Aid
15-495-034-5120-085	540,496	Adjustment Aid
15-495-034-5120-089	313,648	Special Education Aid

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2015.

WHITE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.