

SCHOOL DISTRICT  
OF  
**CITY OF NORTH WILDWOOD**

City of North Wildwood Board of Education  
North Wildwood, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014



# **Comprehensive Annual Financial Report**

of the

City of North Wildwood Board of Education

North Wildwood, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

City of North Wildwood Board of Education

Finance Department



# TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>		Page
	Letter of Transmittal	1-4
	Organizational Chart	5
	Roster of Officials	6
	Consultants and Advisors	7
 <b>FINANCIAL SECTION</b>		
	<b>Independent Auditor's Report</b>	8-10
	<b>Required Supplementary Information - Part I</b>	
	Management's Discussion and Analysis	11-18
	<b>Basic Financial Statements</b>	
A	District-wide Financial Statements:	
	A-1 Statement of Net Position	19
	A-2 Statement of Activities	20
B	Fund Financial Statement	
	Governmental Funds:	
	B-1 Balance Sheet	21
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
	Proprietary Funds:	
	B-4 Statement of Net Position	24
	B-5 Statement of Revenues, Expenses, and Changes in Net Position	25
	B-6 Statement of Cash Flows	26
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	27
	B-8 Statement of Changes in Fiduciary Net Position	28
	<b>Notes to the Financial Statements</b>	29-46
	<b>Required Supplemental Information - Part II</b>	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	47-56
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
	C-1b Community Development Block Grant - Budget to Actual	N/A
	C-2 Budgetary Comparison Schedule - General Fund	57-58

## TABLE OF CONTENTS (continued)

<b>Notes to the Required Supplementary Information</b>	<b>Page</b>
C-3 Budget-to-GAAP Reconciliation	59
<b>Other Supplementary Information</b>	
D School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	60-61
E-2 Schedule of Preschool Education Aid	62
F Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	N/A
G Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	63
H-2 Combining Statement of Changes in Fiduciary Net Position	64
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	65
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	66
I Long-Term Debt:	
I-1 Schedule of Serial Bonds	67
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Budgetary Comparison Schedule	68

## TABLE OF CONTENTS (continued)

<b>STATISTICAL SECTION (Unaudited)</b>		Page
<b>Financial Trends</b>		
J-1	Net Assets by Component	69
J-2	Changes in Net Assets	70-71
J-3	Fund Balances - Governmental Funds	72
J-4	Changes in Fund Balances - Governmental Funds	73
J-5	General Fund Other Local Revenue by Source	74
<b>Revenue Capacity</b>		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	75
J-7	Direct and Overlapping Property Tax Rates	76
J-8	Principal Property Taxpayers	77
J-9	Property Tax Levies and Collections	78
<b>Debt Capacity</b>		
J-10	Ratios of Outstanding Debt by Type	79
J-11	Ratios of General Bonded Debt Outstanding	80
J-12	Direct and Overlapping Governmental Activities Debt	81
J-13	Legal Debt Margin Information	82
<b>Demographic and Economic Information</b>		
J-14	Demographic and Economic Statistics	83
J-15	Principal Employers	84
<b>Operating Information</b>		
J-16	Full-time Equivalent District Employees by Function/Program	85
J-17	Operating Statistics	86
J-18	School Building Information	87
J-19	Schedule of Required Maintenance Expenditures by School Facility	88
J-20	Insurance Schedule	89
<b>SINGLE AUDIT SECTION</b>		
K-1	Independent Auditor's Opinion - Government Auditing Standards	90-91
K-2	Independent Auditor's Opinion - U.S. OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	92-93
K-3	Schedule of Expenditures of Federal Awards, Schedule A	94
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	95
K-5	Notes to the Schedules of Awards and Financial Assistance	96-98
K-6	Schedule of Findings and Question Costs	
	Part I - Summary of Auditor's Results	99-100
	Part 2 - Schedule of Financial Statement Findings	101
	Part 3 - Schedule of Federal and State Award Findings and Questioned Costs	101
K-7	Summary Schedule of Prior Audit Findings	101

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Introductory Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

# North Wildwood Board Of Education

1201 Atlantic Avenue  
North Wildwood, N.J. 08260  
(609) 729-4649

November 14, 2014

Citizens, Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May, New Jersey

The Comprehensive Annual Financial Report of the City of North Wildwood Board of Education for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular 04-04, "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.

1. **REPORTING ENTITY AND ITS SERVICES:** The City of North Wildwood Board of Education is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds of the District are included in this report. The City of North Wildwood 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 Pre K - 8. These include regular, vocational as well as special education for handicapped students.

2. **ECONOMIC CONDITION AND OUTLOOK:** Our City continues to experience an increase of tourists and an extended tourist year with festivals, parades and other additional activities. The community continues to grow with an influx of new housing, renovations and additions to property.

3. **MAJOR INITIATIVES:** The District provides instructional programs for pre-kindergarten through eighth grade, which are supplemented with programs including library, technology, art, music, applied technology, computers, gifted and talented, and basic skills.

The District continues to focus on New Jersey's Core Curriculum Content Standards and Cross-Content and to align school programs with the benchmarks identified in the Standards. Language Arts/Literacy, Mathematics, Science, Health and Physical Education, Visual and Performing Arts, Social Studies and World Languages are reviewed as part of the multi-year curriculum review. The District has expanded the technology curriculum and instruction to include the elementary grades to meet the new Technology Literacy Standard. These important standards have both curricular and financial support to anticipate student success on the State's NJ ASK and GEPA assessment tests, as well as the upcoming PARCC Tests.

The District continues to focus on supportive programs to increase student involvement and motivation. The District is a member of the Cape Atlantic Athletic League for extracurricular offerings and to provide students with the opportunity to experience interaction outside the barrier island.

Community and parental involvement are a primary focus of the Board and staff. The District joined with the City government and service agencies to provide community service projects for students. The District supported the local Home and School Association's initiatives to increase educational opportunities for students and create more parental involvement.

We have a high commitment to our five-year technology plan. Upgrading of the computer network and in-house teacher training are critical components to maintaining staff and student use and value for technology

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2014.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.
7. **FINANCIAL INFORMATION AT FISCAL YEAR END:** 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.
8. **DEBT ADMINISTRATION:** At June 30, 201, the District's outstanding debt issues included \$910,000 of general refunded bonds. The proceeds of this issue were to provide funds for the construction and renovation of the Margaret Mace School.
9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. 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 1980 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. **RISK MANAGEMENT:** North Wildwood Board of Education 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.
11. **OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the City of North Wildwood 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 have not been accomplished without the efficient and dedicated services of our financial and accounting personnel.

Respectfully submitted,



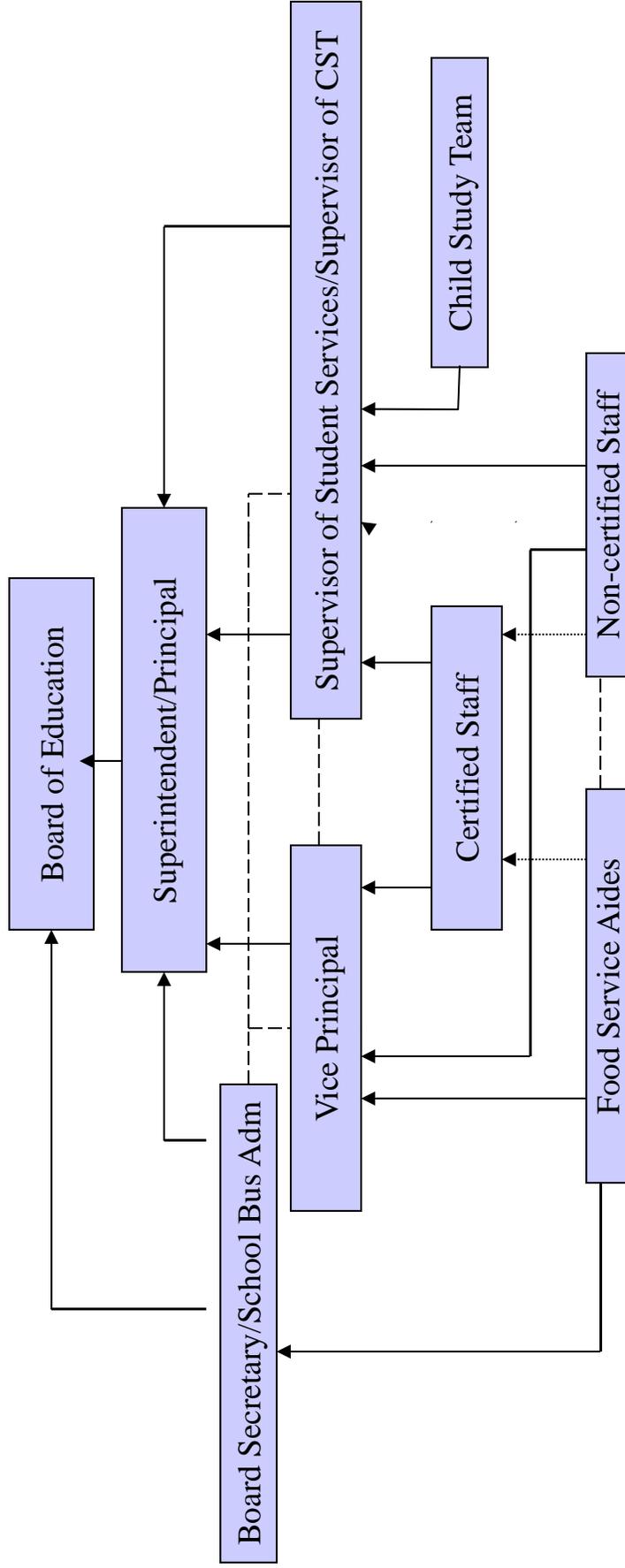
Michael Buccialia  
Superintendent



John J. Hansen  
Board Secretary/Business Administrator

# Organizational Chart

## North Wildwood School District



Each employee in the district is responsible to the Board through the Superintendent

All personnel shall refer matters requiring administrative action to the administrative officer immediately in charge of the area in which the problem arises

Administrative officers shall refer such matters to the next higher authority, when necessary.

All employees shall have the right to appeal any decision made by an administrative officer to the next higher authority and through appropriate successive steps to the Board.

Revised 7/06

**CITY OF NORTH WILDWOOD BOARD OF EDUCATION**

**NORTH WILDWOOD, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2014

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
David MacDonald, President	2016
Via Zampirri, Vice President	2015
Michael Brown, Sr.	2014
Charles Burns	2014
Gerald Flanagan	2016
Ronald Golden	2016
Shannon Kelly	2015
Scott McCracken	2014
Laura Stefankiewicz	2015
James Perlof, West Wildwood Representative	2014

**Other Officials**

Michael Buccialia, Superintendent

John Hansen, Business Administrator/Board Secretary

Todd Burkey, Treasurer

Peter M. Tourison, Esq., Solicitor

**CITY OF NORTH WILDWOOD BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Ave  
PO Box 538  
Ocean City, NJ 08226

**Attorney**

Peter M. Tourison  
3823 Bayshore Road  
PO Box 766  
North Cape May, NJ 08204

**Official Depositories**

Crest Savings Bank  
5th and New Jersey Avenue  
North Wildwood, NJ 08260

Municipal Investors Service, Corp.  
113 King Street  
Armonk, NY 10504

PNC Bank  
1300 New Jersey Avenue  
North Wildwood, NJ 08260

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Financial Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
PHONE 609.399.6333 • FAX 609.399.3710  
www.ford-scott.com

## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May, 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 City of North Wildwood School District, City of North Wildwood, New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 City of North Wildwood School District, City of North Wildwood, New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 City of North Wildwood School District's basic financial statements. The introductory section, combining and individual nonmajor 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 state financial assistance as required by NJ OMB 04-04, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual nonmajor 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 state financial assistance as required by NJ OMB 04-04, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 nonmajor 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 state financial assistance as required by NJ OMB 04-04 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 November 14, 2014 on our consideration of the City of North Wildwood School District's internal control over financial

reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of North Wildwood School District's internal control over financial reporting and compliance.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*  
**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**November 14, 2014**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Required Supplemental Information  
Part I**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of North Wildwood School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$372,632 as a result of decreases in the tax levy and state aid.
- The State of New Jersey reimbursed the District \$241,757 during the fiscal year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Also the State paid \$349,062 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of \$250,000 or 2% of the total general fund expenditures. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2014 the District had excess surplus in the amount of \$1,178,179, of which \$659,006 has been appropriated and included as anticipated revenue in the 2015 fiscal year budget. This is compared to the prior year excess surplus of \$1,768,339, of which \$1,109,333 was budgeted in the 2014 fiscal year budget.
- During the fiscal year ended June 30, 2014, the District's governmental fund expenditures were \$371,309 more than total revenues realized. This decrease can be attributed to a reduction in aid received through the State and Federal governments, as well as a decrease in the amount to be raised through taxation. During the prior fiscal year, total revenues were higher than total expenditures by \$397,789.
- In the District's business-type activities, net position decreased \$1,323 during the 2014 fiscal year compared to a \$371 decrease in fiscal year 2013. Although overall revenue increased, it was not sufficient to cover the increase in costs related to operating the program.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the food service program.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required

supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**{This space intentionally left blank}**

A-1

**Major Features of the City of North Wildwood Board of Education’s  
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service	Instances in which the District is the trustee or agent for someone else’s resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short- term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

## Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net positions* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service program is included here.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position decreased between fiscal years 2013 and 2014 as a result of a decrease in the amount raised through taxation and assistance received through state and federal sources. Net position for business-type activities decreased \$1,323 during the current fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current & other assets	\$ 2,591,464	3,202,358	28,610	28,082	2,620,074	3,230,440
Capital assets	6,027,445	6,150,369			6,027,445	6,150,369
Total assets	<u>8,618,909</u>	<u>9,352,727</u>	<u>28,610</u>	<u>28,082</u>	<u>8,647,519</u>	<u>9,380,809</u>
Deferred outflows						
Of resources	40,833	49,000	-	-	40,833	49,000
Long-term liabilities	1,270,995	1,398,662	1,851		1,272,846	1,398,662
Other liabilities	263,737	506,746			263,737	506,746
Total liabilities	<u>1,534,732</u>	<u>1,905,408</u>	<u>1,851</u>	<u>-</u>	<u>1,536,583</u>	<u>1,905,408</u>
Net Position						
Invested in						
capital assets	5,117,445	5,104,369			5,117,445	5,104,369
Restricted	2,133,292	1,775,786			2,133,292	1,775,786
Unrestricted	(125,727)	616,164	26,759	28,082	(98,968)	644,246
Total net position	<u>\$ 7,125,010</u>	<u>7,496,319</u>	<u>26,759</u>	<u>28,082</u>	<u>7,151,769</u>	<u>7,524,401</u>

**Changes in net position.** The total governmental fund revenue of the District decreased when compared to amounts recognized in the prior year. This can be attributed to an overall decrease in the tax levy and grant funding. For 2014 and 2013, the local tax levy was 70.28% and 68.32% of total governmental fund revenues, respectively. The municipality levies this tax on properties located in the City and remits the collections on a monthly basis to the District.

Approximately 22% of the District's governmental fund revenue came from the State of New Jersey in the form of state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration, and plant operations.

		2014		2013	
		Amount	Percentage	Amount	Percentage
Property taxes	\$	5,981,751	70.28%	6,118,240	68.32%
Charges for service		675,000	7.93%	747,542	8.35%
Unrestricted State and Federal Aid		1,253,462	14.73%	1,350,330	15.08%
Federal & State Aid restricted		576,140	6.76%	616,762	6.89%
Other		25,433	0.30%	121,976	1.36%
Totals	\$	<u>8,511,786</u>	<u>100.00%</u>	<u>8,954,850</u>	<u>100.00%</u>

{This space intentionally left blank}

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2014 and 2013 fiscal years.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue						
Program Revenue:						
Charges for srvs	\$ 675,000	747,542	38,507	33,859	713,507	781,401
Federal and State grants	1,172,788	617,723	63,361	55,804	1,236,149	673,527
General revenues						
Property taxes	5,981,751	6,118,240			5,981,751	6,118,240
Interest	10,904	2,514	4	4	10,908	2,518
State aid entitlements	662,643	1,350,330			662,643	1,350,330
Other	8,700	118,501			8,700	118,501
Total revenues	<u>8,511,786</u>	<u>8,954,850</u>	<u>101,872</u>	<u>89,667</u>	<u>8,613,658</u>	<u>9,044,517</u>
Expenses						
Instruction:						
Regular	3,147,845	2,811,749			3,147,845	2,811,749
Special education	473,773	1,121,325			473,773	1,121,325
Other special instruction	411,615	449,528			411,615	449,528
Support services:						
Tuition	1,810,373	1,103,392			1,810,373	1,103,392
Student & instruction related srvs	1,379,638	1,487,216			1,379,638	1,487,216
School admin services	82,432	84,578			82,432	84,578
Other admin services	469,848	512,403			469,848	512,403
Plant operation and maint	790,451	796,768			790,451	796,768
Pupil transport	215,837	128,107			215,837	128,107
Capital outlay	53,516				53,516	-
Special schools	13,650				13,650	-
Interest on long-term debt	16,117	44,495			16,117	44,495
Business-type activities			121,195	107,538	121,195	107,538
Total expenses	<u>8,865,095</u>	<u>8,539,561</u>	<u>121,195</u>	<u>107,538</u>	<u>8,986,290</u>	<u>8,647,099</u>
Excess/(Deficiency)						
Before transfers	(353,309)	415,289	(19,323)	(17,871)	(372,632)	397,418
Transfers	(18,000)	(17,500)	18,000	17,500	-	-
Increase/(decrease) In Net position	\$ <u>(371,309)</u>	<u>397,789</u>	<u>(1,323)</u>	<u>(371)</u>	<u>(372,632)</u>	<u>397,418</u>

The variances between years in the governmental funds were the result of changes in classifications and are within expectations.

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities increased \$12,205 from the previous year while expenses increased \$13,657. Factors contributing to these results included:

- An increase in participation of the school lunch program which resulted in an increase in reimbursements from the Federal Department of Agriculture.
- An increase in expenses for food and supplies due to increasing costs of these items.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$7,125,010 which is \$371,309 lower than in the beginning of the year. This was primarily caused by a decrease in the amount raised through taxation as well as a decrease in state and federal grant funding.

### General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District that has elected to have November elections, requires approval by the voters only when statutory limits are exceeded. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was \$2,604 more than the budgeted amount. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$764,720.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2014, the District had invested \$6,027,445, net of depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery. Capital assets purchased through the business-type activities are fully depreciated.

	2014	2013
Land	\$ 474,000	474,000
Buildings & Improvements	5,350,009	5,446,075
Machinery & Equipment	203,436	230,294
Total	<u>\$ 6,027,445</u>	<u>6,150,369</u>

Total aggregate cost basis for the districts capital assets as of June 30, 2014 was \$8,690,988 with accumulated depreciation of \$2,663,543. More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

## Long-term Debt

	Balance 6/30/2013	Issued	Retired	Balance 6/30/2014
Bonds Payable	\$1,095,000		185,000	910,000
Compensated Absences Payable	303,662	57,333		360,995
Total	\$1,398,662	57,333	185,000	1,270,995

More detailed information about the District's long-term debt is presented in Note 9 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of North Wildwood School District is presently in satisfactory financial condition. Future challenges include stabilizing or increasing student enrollment, flat state aid revenues, and reduced surplus from prior years to offset increases in tax rates.

The school district has been fortunate to receive both State and Federal grants, offering additional resources for teachers assisting students to make increased strides in all instructional areas.

The City's ratable base decreased approximately \$9.5 million in 2014. The ratable base decreased in 2014 as a result of tax appeals and market adjustments. Over the past several years, the City has seen the demolition of many properties, which increased the value of vacant land. During 2014, many of these properties were redeveloped which resulted in a shift from vacant land to other ratable categories. In recent years it has become the responsibility of homeowners to foot the majority of the tax burden. Because of the continued influx of families of many nationalities with lower socio-economic backgrounds, the school district continues to share a child study team social worker with the Wildwood School District to support and assistance at-risk youth and their families. A continuation of appropriate teacher/student classroom ratios remains a priority of the administration.

In conclusion, the City of North Wildwood School District has committed itself to financial excellence. In addition, the school district's system for financial planning, budgeting, and internal financial controls are well guarded. The school district plans to continue its sound fiscal management to meet challenges of the future.

## CONTACTING THE 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 any questions about this report or need additional information, contact John Hansen, School Business Administrator at the City of North Wildwood Board of Education District Office, 1201 Atlantic Avenue, City of North Wildwood, NJ 08260.

**BASIC FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**DISTRICT - WIDE FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District**  
**Statement of Net Position**  
**June 30, 2014**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,538,009	23,271	2,561,280
Due from agency account	22		22
Due from other governments	53,433	5,339	58,772
Capital assets, not depreciated	474,000		474,000
Capital assets, net	5,553,445		5,553,445
Total Assets	<u>8,618,909</u>	<u>28,610</u>	<u>8,647,519</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Loss on refunding of long-term debt	40,833		40,833
Total Deferred Outflow of Resources	<u>40,833</u>	<u>-</u>	<u>40,833</u>
<b>LIABILITIES</b>			
Accrued interest	6,506		6,506
Accounts payable	81,083		81,083
Payable to other governments	29,436		29,436
Unearned revenue	146,712		146,712
Noncurrent liabilities:			
Due within one year	180,000		180,000
Due beyond one year	1,090,995	1,851	1,092,846
Total liabilities	<u>1,534,732</u>	<u>1,851</u>	<u>1,536,583</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,117,445	-	5,117,445
Restricted for:			
Other purposes	2,133,292		2,133,292
Unrestricted	(125,727)	26,759	(98,968)
Total net position	<u>\$ 7,125,010</u>	<u>26,759</u>	<u>7,151,769</u>

The accompanying notes are an integral part of these financial statements

City of North Wildwood School District  
Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:									
Instruction:									
Regular	\$ 2,528,477	619,368	675,000	576,018	(1,896,827)	(1,896,827)	(1,896,827)		
Special education	380,613	93,160		31,858	(441,915)	(441,915)	(441,915)		
Other special instruction	330,677	80,938		27,679	(383,936)	(383,936)	(383,936)		
Support services:									
Tuition	1,454,392	355,981		127,721	(1,682,652)	(1,682,652)	(1,682,652)		
Student & instruction related services	1,107,881	271,757		304,708	(1,074,930)	(1,074,930)	(1,074,930)		
General administrative services	222,047	54,349		18,586	(257,810)	(257,810)	(257,810)		
School administrative services	66,223	16,209		5,543	(76,889)	(76,889)	(76,889)		
Plant operations and maintenance	635,021	155,430		53,153	(737,298)	(737,298)	(737,298)		
Pupil transportation	173,396	42,441		14,514	(201,323)	(201,323)	(201,323)		
Business and other support services	155,413	38,039		13,008	(180,444)	(180,444)	(180,444)		
Unallocated benefits	1,727,672	(1,727,672)			-	-	-		
Capital Outlay	53,516				(53,516)	(53,516)	(53,516)		
Special Schools	13,650				(13,650)	(13,650)	(13,650)		
Interest on long-term debt	16,117				(16,117)	(16,117)	(16,117)		
Total governmental activities	8,865,095	-	675,000	1,172,788	(7,017,307)	(7,017,307)	(7,017,307)		
Business-type activities:									
Food Service	121,195		38,507	63,361	(19,327)	(19,327)	(19,327)		
Total business-type activities	121,195		38,507	63,361	(19,327)	(19,327)	(19,327)		
Total primary government	\$ 8,986,290		713,507	1,236,149	(7,017,307)	(7,017,307)	(7,017,307)		
General revenues:									
Taxes:									
Property taxes, levied for general purposes, net					5,777,639	5,777,639	5,777,639		
Taxes levied for debt service					204,112	204,112	204,112		
Federal and State aid not restricted					662,643	662,643	662,643		
Investment Earnings					10,904	10,908	10,908		
Miscellaneous Income					8,700	8,700	8,700		
Total General Revenues					6,663,998	6,664,002	6,664,002		
Other sources (uses) of funds:									
Transfers					(18,000)	(18,000)	(18,000)		
Total general revenues, special items, extraordinary items and transfers					6,645,998	6,646,002	6,646,002		
Change in Net Position					(371,309)	(371,309)	(371,309)		
Net Position—beginning					7,496,319	28,082	7,524,401		
Net Position—ending					\$ 7,125,010	26,759	7,151,769		

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,383,831	139,329	14,849	2,538,009
Due from other funds	22			22
Receivables from other governments		53,433		53,433
Total assets	2,383,853	192,762	14,849	2,591,464
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	53,759	27,324		81,083
Due to other governments		29,436		29,436
Unearned revenue		146,712		146,712
Total liabilities	53,759	203,472	-	257,231
Fund Balances:				
Restricted for:				
Excess surplus	519,173			519,173
Excess surplus - designated for subsequent year's expenditures	659,006			659,006
Committed to:				
Capital reserve	365,316			365,316
Maintenance reserve	347,287			347,287
Tuition reserve for 2014/2015	50,356			50,356
Tuition reserve for 2015/2016	50,240			50,240
Assigned to:				
Designated for subsequent year's expenditures	80,756		14,849	95,605
Encumbrances	46,309			46,309
Unreserved, reported in:				
General fund	211,651			211,651
Special revenue fund		(10,710)		(10,710)
Debt service fund				-
Total Fund balances	2,330,094	(10,710)	14,849	2,334,233
Total liabilities and fund balances	\$ 2,383,853	192,762	14,849	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,027,445
Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(6,506)
Deferred amount on refunding and premiums on bonds are reported in the governmental fund as expenditures in the year bonds are issued but are amortized over the life of the bonds on the statement of activities	40,833
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,270,995)
Net position of governmental activities	\$ 7,125,010

**City of North Wildwood School District**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local tax levy	\$ 5,777,639		204,112	5,981,751
Tuition Charges	675,000			675,000
Interest	10,904			10,904
Miscellaneous	8,700	5,829		14,529
State sources	1,253,462	288,149		1,541,611
Federal sources		287,991		287,991
Total revenues	<u>7,725,705</u>	<u>581,969</u>	<u>204,112</u>	<u>8,511,786</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	2,066,034	364,632		2,430,666
Special education instruction	365,598			365,598
Other special instruction	317,632			317,632
Support services and undistributed costs:				
Tuition	1,391,033	5,985		1,397,018
Student & instruction related services	923,602	142,878		1,066,480
General administrative services	213,287			213,287
School administrative services	63,610			63,610
Plant operations and maintenance	609,970			609,970
Pupil transportation	166,556			166,556
Business and other support services	149,282			149,282
Unallocated Benefits	1,658,775	68,897		1,727,672
Debt service:				
Principal			185,000	185,000
Interest and other charges			11,710	11,710
Capital outlay	147,300			147,300
Special schools	13,650			13,650
Total expenditures	<u>8,086,329</u>	<u>582,392</u>	<u>196,710</u>	<u>8,865,431</u>
Excess (Deficiency) of revenues and other financing (uses) over expenditures	<u>(360,624)</u>	<u>(423)</u>	<u>7,402</u>	<u>(353,645)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	<u>(18,000)</u>			<u>(18,000)</u>
Total other financing sources and uses	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>(18,000)</u>
Net change in fund balances	(378,624)	(423)	7,402	(371,645)
Fund balance—July 1	2,708,718	(10,287)	7,447	2,705,878
Fund balance—June 30	<u>\$ 2,330,094</u>	<u>(10,710)</u>	<u>14,849</u>	<u>2,334,233</u>

**City of North Wildwood School District**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2014**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	\$	(371,645)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(221,121)
Assets charged to expense		4,413
Capital outlays		<u>93,784</u>
		(122,924)
<p>Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		185,000
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)</p>		
		3,760
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
Compensated absences		(57,333)
Amortization of loss on refunding of 1999 bond issue		(8,167)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>(371,309)</u></u></b>

The accompanying notes are an integral part of these financial statements

**City of North Wildwood School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2014**

			<u>Business-type Activities - Enterprise Funds</u>
			<u>Food Service</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$	23,271	
Receivables from other governments		5,339	
Total current assets		<u>28,610</u>	
Noncurrent assets:			
Furniture, machinery & equipment		2,089	
Less accumulated depreciation		<u>(2,089)</u>	
Total noncurrent assets		<u>-</u>	
Total assets		<u><u>28,610</u></u>	
<b>LIABILITIES</b>			
Current liabilities:			
None		<u>-</u>	
Total current liabilities		<u>-</u>	
Noncurrent liabilities:			
Compensated absences		<u>1,851</u>	
Total noncurrent liabilities		<u>1,851</u>	
Total liabilities		<u>1,851</u>	
<b>NET POSITION</b>			
Invested in capital assets, net of related debt		-	
Unrestricted		<u>26,759</u>	
Total net position	\$	<u><u>26,759</u></u>	

**City of North Wildwood School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

		<u><b>Business-type Activities - Enterprise Funds</b></u>
		<u><b>Food Service</b></u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	38,507
Total operating revenues		<u>38,507</u>
Operating expenses:		
Salaries		30,127
Employee benefits		11,278
General supplies		2,974
Cost of sales		76,816
Total Operating Expenses		<u>121,195</u>
Operating (loss)		<u>(82,688)</u>
Nonoperating revenues and expenses:		
State sources:		
State school lunch program		1,205
Federal sources:		
National school lunch program		54,588
National school breakfast program		7,568
Interest and investment revenue		4
Total nonoperating revenues		<u>63,365</u>
(Loss) before contributions & transfers		<u>(19,323)</u>
Transfers in		<u>18,000</u>
Change in net position		(1,323)
Total net position—beginning		28,082
Total net position—ending	\$	<u><u>26,759</u></u>

**City of North Wildwood School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2014**

		<b>Business-type Activities - Enterprise Funds</b>
		<b>Food Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and other funds	\$	38,507
Payments to employees		(28,276)
Payments for employee benefits		(11,278)
Payments to suppliers		(79,790)
Net cash (used in) operating activities		<u>(80,837)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources		1,176
Federal Sources		60,689
(To)/From other funds		18,000
Net cash provided by non-capital financing activities		<u>79,865</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and investment revenue		4
Net cash provided by investing activities		<u>4</u>
Net increase in cash and cash equivalents		(968)
Balances—beginning of year		<u>24,239</u>
Balances—end of year		<u><u>23,271</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities:</b>		
Operating (loss)		(82,688)
Adjustments to reconcile operating (loss) to net cash provided by/ (used in) operating activities		
Increase in compensated absences		<u>1,851</u>
Total adjustments		<u>1,851</u>
Net cash (used in) operating activities	\$	<u><u>(80,837)</u></u>

**City of North Wildwood School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014**

	<u>Unemployment Compensation</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,066	995
Total assets	<u>15,066</u>	<u>995</u>
<b>LIABILITIES</b>		
Accounts payable	1,425	
Payroll deductions and withholdings		973
Interfund payable		22
Total liabilities	<u>1,425</u>	<u>995</u>
<b>NET POSITION</b>		
Held in trust for unemployment claims and other purposes	\$ <u>13,641</u>	

The accompanying notes are an integral part of these financial statements

**Exhibit B-8**

**City of North Wildwood School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2014**

	<u>Unemployment Compensation</u>
<b>ADDITIONS</b>	
Employee contributions	\$ 7,054
Board contributions	10,000
Total additions	<u>17,054</u>
<b>DEDUCTIONS</b>	
Other payments	<u>28,138</u>
Total deductions	<u>28,138</u>
Change in net position	(11,084)
Net position—beginning of the year	24,725
Net position—end of the year	<u>\$ 13,641</u>

The accompanying notes are an integral part of these financial statements

## **Notes to the Financial Statements**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of North Wildwood School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

**A. Reporting Entity:**

The City of North Wildwood School District is a Type II district located in the County of Cape May, State of New Jersey. As a type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to a three-year term. The purpose of the District is to educate students in grades K-8. The City of North Wildwood School District had an approximate enrollment at June 30, 2014 and 2013 of 317 and 309 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:

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

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

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as a business-type activity.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Standards sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Debt service** funds are 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.

**{This space intentionally left blank}**

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

**Fund Balances – Governmental Funds**

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

- Nonspendable – 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:

The details of the fund balances are included in the Governmental Funds Balance Sheet. 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.

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third

**City of North Wildwood School District  
Notes to Financial Statements  
June 30, 2014**

party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All funds internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

New Jersey school districts are limited 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 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

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.

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized in the District's General Fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. The District did not have inventory in the general or enterprise fund at June 30, 2014.

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-20 years
Improvements	10-20 years

Infrastructure assets include roads, parking lots, underground pipe, etc. All infrastructure assets are reported in the financial statements and are being depreciated over their useful lives.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**6. Expenditures:**

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

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

**7. Compensated absences:**

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**8. Interfund Activity:**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. The following material transfers were made to/(from) budgetary line items:

<u>Account</u>		<u>Amount</u>
Tuition to Other LEAs Within State-Special	\$	152,500
Tuition to CSSSD & Regional Day Schools		155,600
Unallocated Benefits: Health Benefits		(98,500)

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 payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

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.

**10. 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.

**11. Tuition Payable**

Tuition charges for the fiscal years 2013/14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates**

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

**13. Allocation of Costs**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the original budgetary expenditures by program.

**F. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement is effective for fiscal periods beginning after June 15, 2014. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

NOTE 2. INVESTMENTS

As of June 30, 2014, the District had no investments.

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

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

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

NOTE 3. CASH

**Custodial Credit Risk – Deposits.** Custodial credit risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$2,469 of the District's bank balance of \$2,773,165 was exposed to credit risk.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the City of North Wildwood School District in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 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.

**{This space intentionally left blank}**

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$	256,082
Interest earnings		1,234
Deposits		
Budgeted – 2014 adopted budget		58,000
Board resolution 6/9/14		50,000
Ending balance, June 30, 2014	\$	<u>365,316</u>

**NOTE 5. MAINTENANCE RESERVE FUND**

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for the required maintenance of the District's facilities, in accordance with the Commissioner approved plan. The District can increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end.

Beginning balance, July 1, 2013	\$	345,901
Interest earnings		1,386
Ending balance, June 30, 2014	\$	<u>347,287</u>

**NOTE 6. RESERVE FOR TUITION**

New Jersey Administrative Code 6A:23A-17.1(f) permits school districts to establish a tuition reserve account to restrict funds for a foreseeable future tuition adjustment. The maximum amount that may be restricted at year end is 10% of the estimated tuition cost of the contract year. Upon certification of rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and appropriated in the budget.

The activity of the tuition reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013			
Reserve for 2013/2014	\$	80,848	
Reserve for 2014/2015		<u>50,000</u>	
			130,848
Increased by:			
Interest earnings			596
Resolution adopted 6/9/14			50,000
Decreased by:			
Anticipated in FY14 budget			<u>(80,848)</u>
Ending balance, June 30, 2014			
Reserve for 2014/2015		50,356	
Reserve for 2015/2016		<u>50,240</u>	
	\$		<u>100,596</u>

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

NOTE 7. FIXED ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>6/30/13</u>	<u>Additions</u>	<u>Disposals/</u> <u>Adjustments</u>	<u>Balance</u> <u>6/30/14</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 474,000			474,000
Total capital assets not being depreciated	<u>474,000</u>			<u>474,000</u>
Bldgs & Improv	7,500,219	93,784		7,594,003
Machinery & equip	618,572	4,413		622,985
Total at cost	<u>8,118,791</u>	<u>98,197</u>		<u>8,216,988</u>
Less accum depr.				
Bldg & improve	(2,054,144)	(189,850)		(2,243,994)
Machinery & equip	(388,278)	(53,381)	22,110	(419,549)
Total accum depr	<u>(2,442,422)</u>	<u>(243,231)</u>	<u>22,110</u>	<u>(2,663,543)</u>
Total capital assets being depreciated	<u>5,676,369</u>	<u>(145,034)</u>	<u>22,110</u>	<u>5,553,445</u>
Governmental activities - Capital Assets, net	<u>6,150,369</u>	<u>(145,034)</u>	<u>22,110</u>	<u>6,027,445</u>
Business-type activities				
Equipment	2,089			2,089
Less Accum depr	(2,089)			(2,089)
Business-type Activities Capital Assets, net	<u>\$ -</u>			<u>-</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 79,272
Special education	11,923
Other special instruction	10,359
Tuition	45,561
Student & instruction related services	34,781
General Administration	6,956
School administrative expenses	2,075
Plant operations and maintenance	19,893
Student transportation services	5,432
Business and other support services	4,869
	<u>\$ 221,121</u>

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

NOTE 8. OPERATING LEASES

Effective November 2011, the District entered into a lease agreement for a Xerox printer/copier. The lease term is 60 months with payments of \$420 due monthly. Total rent expense for the 2014 fiscal year was \$5,040.

Effective April 2009, the District entered into lease agreements for seven Xerox printer/copy machines. The lease terms are 60 months and payments, ranging from \$204 to \$721, are due monthly. These leases expired April 2014.

The following are minimum lease payments due on an annual basis:

Year ending June 30,	
2015	\$ 5,040
2016	5,040
2017	1,680
2018	0
2019	0
Total	\$ <u>11,760</u>

NOTE 9. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014 the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance <u>6/30/13</u>	Issued	Retired	Balance <u>6/30/14</u>	Due within <u>One Year</u>
<b>Governmental Activities</b>					
Compensated					
Absences Payable	\$ 303,662	57,333		360,995	-
Refunding Bonds Payable	1,095,000		185,000	910,000	180,000
Total	<u>1,398,662</u>	<u>57,333</u>	<u>185,000</u>	<u>1,270,995</u>	<u>180,000</u>
<b>Business-type Activities</b>					
Compensated					
Absences Payable	-	1,851		1,851	-
Business-type activities					
Long-term liabilities	\$ -	1,851	-	1,851	-

A. Bonds Payable:

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

Long-term debt as of June 30, 2014 consisted of the following:

\$1,095,000 School Bonds dated 6/4/13 payable in annual installments through 21/19. Interest is paid semiannually at varying rates, which range from 1.25% to 2.25%. The balance remaining as of June 30, 2014 was \$910,000.

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 180,000	15,938	195,938
2016	185,000	13,688	198,688
2017	180,000	10,912	190,912
2018	180,000	7,762	187,762
2019	185,000	4,162	189,162
Total	\$ 910,000	52,462	962,462

**NOTE 10. PENSION PLANS**

*Description of Plans*

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

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 10.6% and the PERS rate is 10.3% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2014, 2013 and 2012 were \$349,062, \$212,077, and \$100,283, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2014, 2013 and 2012 were \$70,005, \$74,406, and \$79,139, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2014, 2013 and 2012 was \$4,273,082, \$4,121,897, and \$3,030,481; covered payroll was \$3,290,314, \$4,148,221, and \$3,909,799 for TPAF; and \$677,372, \$545,831, and \$636,881 for PERS.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

compensation, the positions eligible for service credit, the non-forfeitable right to a pension, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 11. POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through 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, 2013, there were 100,134 retirees eligible for post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, , which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

**{This space intentionally left blank}**

**City of North Wildwood School District  
Notes to Financial Statements  
June 30, 2014**

NOTE 12. LABOR CONTRACTS

As of June 30, 2014 the District's employees were organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
City of North Wildwood Education Association (NWEA)	Full-time professional and certified personnel (teachers and nurses), full-time custodial employees, full-time clerical employees, and full-time aides. Part-time employees, supervisors (including the head custodian), managerial executives, confidential employees and administrative employees are not covered under this contract.	June 30, 2014

Prior to June 30, 2014, the Board of Education approved the contract with the NWEA for an additional three year period through June 30, 2017.

Part-time employees, supervisors (including the head custodian), managerial executives, confidential employees and administrative employees are not covered under the above mentioned contract. The Board of Education has entered into individual employment agreements these individuals, as well as with the Superintendent and Business Administrator. The expiration of these contracts will vary depending on the position.

NOTE 13. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and 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 vacation and sick leave in varying amounts based on their individual contracts.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 14. DEFERRED COMPENSATION

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

**City of North Wildwood School District  
Notes to Financial Statements  
June 30, 2014**

NOTE 15. 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 surety bonds. During the fiscal year ended June 30, 2014 the District did not incur claims in excess of their coverage.

This District is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBO JIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10.

The purpose of this Fund is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability, General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2013-2014	\$10,000	7,054	28,138	13,641
2012-2013	10,000	6,880	1,550	24,725
2011-2012		6,661	812	9,395

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2014, interfunds remained on the various balance sheets of the City of North Wildwood Board of Education.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	22	
Agency Fund		22

The above interfund is the result of interest earned in the agency fund that will be transferred to the District’s general fund. It is anticipated that the interfund will be liquidated during the next fiscal year.

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

NOTE 17. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 18. FUND BALANCE APPROPRIATED

**General Fund (Exhibit B-1)** - Of the \$2,330,094 General Fund fund balance at June 30, 2014, \$46,309 is reserved for encumbrances, \$365,316 has been committed to the capital reserve fund; \$347,287 has been committed to the maintenance reserve fund; \$100,596 has been reserved for tuition increases (\$50,356 of this amount has been included as anticipated revenue for the year ending June 30, 2015), \$1,178,179 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$659,006 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$80,756 has been appropriated and also included as anticipated revenue for the year ending June 30, 2015; and \$211,651 is unreserved and undesignated.

NOTE 19. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$1,178,179, of which \$659,006 has been included in the 2014-15 budget. The excess fund balance at June 30, 2013 was \$1,768,339.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit fund balances of \$10,710 in the Special Revenue Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

NOTE 21. ECONOMIC DEPENDENCY

The District is heavily reliant on state and federal sources to fund the District operations. State and federal sources funded approximately 22% of the Districts 2013-2014 governmental operations.

**{This space intentionally left blank}**

**City of North Wildwood School District**  
**Notes to Financial Statements**  
**June 30, 2014**

NOTE 22. SUBSEQUENT EVENTS

Effective September 1, 2014, the District entered into a lease agreement for 7 Ricoh copiers. The lease term is 48 months with payments of \$2,604. In addition, the District also entered into a 48 month lease agreement for 36 Ricoh printers for a monthly rent of \$533.

The following are minimum lease payments due on an annual basis:

Year ending June 30,		
2015	\$	31,370
2016		37,644
2017		37,644
2018		37,644
2019		<u>6,270</u>
Total	\$	<u><u>150,572</u></u>

The District has evaluated subsequent events through November 14, 2014, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**Required Supplemental Information  
Part II**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BUDGETARY COMPARISON SCHEDULES**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	5,777,639		5,777,639	5,777,639	-
Tuition from Other LEAs Within the State	675,000		675,000	675,000	-
Interest Earned on Bank Accounts			-	9,670	9,670
Interest Earned on Capital Reserve Accounts	2,000		2,000	1,234	(766)
Miscellaneous	15,000		15,000	8,700	(6,300)
<b>Total - Local Sources</b>	<b>6,469,639</b>	<b>-</b>	<b>6,469,639</b>	<b>6,472,243</b>	<b>2,604</b>
State Sources:					
Categorical Special Education Aid	154,606		154,606	154,606	-
Categorical Security Aid	59,917		59,917	59,917	-
Adjustment Aid	396,411		396,411	396,411	-
Categorical Transportation Aid	49,606		49,606	49,606	-
On-Behalf TPAF Pension Contributions (non-budgeted)				349,062	349,062
Reimbursed TPAF Social Security Contributions (non-budgeted)				241,757	241,757
<b>Total - State Sources</b>	<b>660,540</b>	<b>-</b>	<b>660,540</b>	<b>1,251,359</b>	<b>590,819</b>
<b>Total Revenues</b>	<b>7,130,179</b>	<b>-</b>	<b>7,130,179</b>	<b>7,723,602</b>	<b>593,423</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	150,500	13,000	163,500	162,652	848
Grades 1-5	1,005,000	(42,000)	963,000	960,442	2,558
Grades 6-8	666,000	(51,000)	615,000	614,806	194
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000	(3,000)	3,000	510	2,490
Purchased Professional Services		3,000	3,000	855	2,145
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	60,000	2,400	62,400	62,338	62
Purchased Professional - Educational Services	2,100	(1,600)	500	-	500
Purchased Technical Services	500	-	500	219	281
Other Purchased Services	42,000	1,600	43,600	40,805	2,795
General Supplies	198,040	11,000	209,040	200,101	8,939
Textbooks	35,000	(10,300)	24,700	-	24,700
Other Objects	25,000	-	25,000	23,306	1,694
Total Regular Programs	2,190,140	(76,900)	2,113,240	2,066,034	47,206
Multiple Disabilities					
Salaries of Teachers	55,500	(800)	54,700	53,085	1,615
Purchased Professional-Educational Services	3,000	-	3,000	-	3,000
General Supplies	3,550	-	3,550	308	3,242
Total Multiple Disabilities	62,050	(800)	61,250	53,393	7,857
Resource Room/Resource Center					
Salaries of Teachers	330,500	(11,000)	319,500	312,205	7,295
General Supplies	4,000	-	4,000	-	4,000
Total Resource Room/Resource Center	334,500	(11,000)	323,500	312,205	11,295
Total Special Education - Instruction	396,550	(11,800)	384,750	365,598	19,152
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	232,000	-	232,000	231,298	702
General Supplies	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	234,000	-	234,000	231,298	2,702

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	9,500	-	9,500	9,188	312
General Supplies	500	-	500	416	84
<b>Total Bilingual Education - Instruction</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>9,604</b>	<b>396</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	11,500	100	11,600	11,562	38
Purchased Services	1,000	(100)	900	840	60
Supplies and Materials	2,500	-	2,500	1,946	554
Transfers to Cover Deficit (Agency Funds)	100	-	100	-	100
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>15,100</b>	<b>-</b>	<b>15,100</b>	<b>14,348</b>	<b>752</b>
School Sponsored Athletics - Instruction:					
Salaries	42,125	-	42,125	39,951	2,174
Purchased Services	15,000	-	15,000	14,319	681
Supplies and Materials	8,000	-	8,000	6,407	1,593
Other Objects	3,000	-	3,000	1,705	1,295
<b>Total School Sponsored Athletics - Instruction</b>	<b>68,125</b>	<b>-</b>	<b>68,125</b>	<b>62,382</b>	<b>5,743</b>
<b>Total Instruction</b>	<b>2,913,915</b>	<b>(88,700)</b>	<b>2,825,215</b>	<b>2,749,264</b>	<b>75,951</b>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within State - Regular	537,000	(16,000)	521,000	520,958	42
Tuition to Other LEAs Within State - Special	183,000	152,500	335,500	288,755	46,745
Tuition to County Voc. School District - Regular	99,946	-	99,946	99,946	-
Tuition to County Voc. School District - Special	33,678	-	33,678	33,678	-
Tuition to CSSD & Regional Day Schools	269,664	155,600	425,264	424,687	577
Tuition to Private Schools for the Handicapped		23,100	23,100	23,009	91
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,123,288</b>	<b>315,200</b>	<b>1,438,488</b>	<b>1,391,033</b>	<b>47,455</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	94,000	(11,000)	83,000	80,732	2,268
Other Purchased Services	2,000	-	2,000	1,021	979
Supplies and Materials	1,500	-	1,500	573	927
Other Objects	5,000	-	5,000	5,000	-
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>102,500</b>	<b>(11,000)</b>	<b>91,500</b>	<b>87,326</b>	<b>4,174</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	55,500	(300)	55,200	55,140	60
Purchased Professional and Technical Services	5,000	-	5,000	5,000	-
Other Purchased Services	150	-	150	130	20
Supplies and Materials	2,500	300	2,800	2,533	267
Other Objects	100	-	100	85	15
<b>Total Undistributed Expenditures - Health Services</b>	<b>63,250</b>	<b>-</b>	<b>63,250</b>	<b>62,888</b>	<b>362</b>
Undistributed Expenditures - Other Support Services - Students - Speech/OT/PT/Related Services:					
Salaries	45,000	(10,000)	35,000	31,199	3,801
Purchased Professional - Educational Services	7,500	-	7,500	2,265	5,235
Supplies and Materials	2,000	-	2,000	267	1,733
<b>Total Undistributed Expenditures - Other Support Services - Students - Speech/OT/PT/Related Services</b>	<b>54,500</b>	<b>(10,000)</b>	<b>44,500</b>	<b>33,731</b>	<b>10,769</b>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	29,500	(5,000)	24,500	18,235	6,265
Purchased Professional - Educational Services	80,000	(35,000)	45,000	35,085	9,915
Supplies and Materials	100	-	100	-	100
<b>Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services</b>	<b>109,600</b>	<b>(40,000)</b>	<b>69,600</b>	<b>53,320</b>	<b>16,280</b>
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	118,500	-	118,500	118,094	406
Salaries of Secretarial and Clerical Assistants	15,000	-	15,000	14,586	414
Purchased Professional - Educational Services	24,000	18,400	42,400	37,249	5,151
Other Purchased Professional and Technical Services	2,000	(1,400)	600	-	600
Other Purchased Services	1,500	300	1,800	1,612	188
Supplies and Materials	5,000	(4,300)	700	474	226
<b>Total Undistributed Expenditures - Other Support Services - Students - Guidance</b>	<b>166,000</b>	<b>13,000</b>	<b>179,000</b>	<b>172,015</b>	<b>6,985</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services -					
Students - Child Study Teams:					
Salaries Other Professional Staff	173,000	500	173,500	169,734	3,766
Salaries of Secretarial and Clerical Assistants	36,500	-	36,500	35,176	1,324
Purchased Professional - Educational Services	71,000	22,000	93,000	81,567	11,433
Other Purchased Professional and Technical Services	3,000	-	3,000	2,750	250
Other Purchased Services	4,000	(2,500)	1,500	1,181	319
Supplies and Materials	6,650	(5,000)	1,650	945	705
Other Objects	1,000	-	1,000	245	755
Total Undistributed Expenditures - Other Support Services -	295,150	15,000	310,150	291,598	18,552
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	54,500	200	54,700	49,996	4,704
Salaries of Secretarial and Clerical Assistants	36,000	-	36,000	35,706	294
Other Purchased Services	350	-	350	102	248
Supplies and Materials	1,500	(700)	800	800	-
Other Objects	500	-	500	-	500
Total Undistributed Expenditures - Improv. of Instr. Services	92,850	(500)	92,350	86,604	5,746
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	77,900	-	77,900	75,310	2,590
Salaries of Technology Coordinators	37,600	2,000	39,600	39,444	156
Purchased Professional and Technical Services	1,000	(1,000)	-	-	-
Other Purchased Services	4,570	(1,000)	3,570	2,246	1,324
Supplies and Materials	25,000	(9,000)	16,000	11,624	4,376
Other Objects	3,000	-	3,000	2,496	504
Total Undistributed Expenditures - Educational Media Services -	149,070	(9,000)	140,070	131,120	8,950
Undistributed Expenditures - Instruction Staff Training Service					
Salaries of Supervisors of Instruction	5,000	500	5,500	5,000	500
Purchased Professional - Educational Services	500	(500)	-	-	-
Supplies and Materials	500	-	500	-	500
Total Undistributed Expenditures - Instruction Staff Training Service	6,000	-	6,000	5,000	1,000

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	128,000	-	128,000	127,634	366
Legal Services	6,000	(1,300)	4,700	3,460	1,240
Audit Fees	20,000	1,100	21,100	21,100	-
Architectural/Engineering Services	500	(500)	-	-	-
Communications/Telephone	24,000	-	24,000	19,124	4,876
BOE Other Purchased Services	1,000	-	1,000	996	4
Miscellaneous Purchased Services	17,000	5,200	22,200	17,122	5,078
General Supplies	3,169	100	3,269	3,267	2
BOE In-House Training and Meeting Supplies	500	-	500	64	436
Miscellaneous Expenditures	8,000	700	8,700	8,692	8
BOE Membership Dues and Fees	12,000	-	12,000	11,828	172
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>220,169</b>	<b>5,300</b>	<b>225,469</b>	<b>213,287</b>	<b>12,182</b>
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals and Assistant Principals	40,000	-	40,000	39,829	171
Salaries of Secretarial and Clerical Assistants	14,000	-	14,000	13,990	10
Other Purchased Services	2,100	(500)	1,600	1,201	399
Supplies and Materials	3,022	1,500	4,522	3,405	1,117
Other Objects	1,499	4,500	5,999	5,185	814
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>60,621</b>	<b>5,500</b>	<b>66,121</b>	<b>63,610</b>	<b>2,511</b>
Undistributed Expenditures - Central Services					
Salaries	134,000	-	134,000	132,384	1,616
Purchased Professional Services	6,000	2,000	8,000	5,868	2,132
Misc. Purchased Services	1,500	-	1,500	1,131	369
Supplies and Materials	2,000	(1,000)	1,000	805	195
Miscellaneous Expenditures	1,000	400	1,400	1,361	39
<b>Total Undistributed Expenditures - Central Services</b>	<b>144,500</b>	<b>1,400</b>	<b>145,900</b>	<b>141,549</b>	<b>4,351</b>
Undistributed Expenditures - Admin. Info Technology					
Purchased Technical Services	6,000	14,100	20,100	7,733	12,367
Supplies and Materials	2,000	(2,000)	-	-	-
<b>Total Undistributed Expenditures - Admin. Info Technology</b>	<b>8,000</b>	<b>12,100</b>	<b>20,100</b>	<b>7,733</b>	<b>12,367</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	31,500	(10,000)	21,500	21,305	195
Cleaning, Repair, and Maintenance Services	121,100	(54,700)	66,400	19,725	46,675
General Supplies	5,000	-	5,000	4,054	946
<b>Total Undistributed Expenditures - Required Maint for School Facilities</b>	<b>157,600</b>	<b>(64,700)</b>	<b>92,900</b>	<b>45,084</b>	<b>47,816</b>
Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services					
Salaries	256,000	14,000	270,000	269,344	656
Salaries of Non-Instructional Aides	23,500	2,300	25,800	25,650	150
Purchased Professional and Technical Services	6,000	12,000	18,000	17,349	651
Cleaning, Repair and Maintenance Services	62,500	(7,000)	55,500	55,304	196
Other Purchased Property Services	19,000	-	19,000	15,934	3,066
Insurance	15,500	(1,500)	14,000	13,942	58
Miscellaneous Purchased Services	200	-	200	-	200
General Supplies	37,500	-	37,500	35,062	2,438
Energy (Natural Gas)	65,000	(12,500)	52,500	43,872	8,628
Energy (Heat and Electricity)	85,000	(17,500)	67,500	66,328	1,172
Other Objects	250	500	750	576	174
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services</b>	<b>570,450</b>	<b>(9,700)</b>	<b>560,750</b>	<b>543,361</b>	<b>17,389</b>
Undistributed Expenditures - Operation and Maintenance of Plant Services - Security					
Salaries	21,000	600	21,600	21,525	75
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Security</b>	<b>21,000</b>	<b>600</b>	<b>21,600</b>	<b>21,525</b>	<b>75</b>
Undistributed Expenditures - Student Transportation Services:					
Management Fee-ESC & CTSA Trans. Program	5,500	3,000	8,500	8,182	318
Contracted Services - Aid in Lieu of Payments - NonPub Sch.	5,000	-	5,000	1,434	3,566
Contracted Services - Aid in Lieu of Payments - Charter Sch.	2,000	-	2,000	884	1,116
Contr Serv (Bet. Home and Sch)-Vendors	7,500	(2,000)	5,500	-	5,500
Contr Serv (Other than Bet. Home and Sch)-Vendors	15,750	-	15,750	13,531	2,219
Contr Serv (Bet. Home and Sch)-Joint Agreements	45,000	(30,000)	15,000	4,377	10,623
Contr Serv (Regular Students)-ESCs & CTSA	40,000	-	40,000	30,356	9,644
Contr Serv (Spec Ed Students)-ESCs & CTSA	100,000	8,000	108,000	107,792	208
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>220,750</b>	<b>(21,000)</b>	<b>199,750</b>	<b>166,556</b>	<b>33,194</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Unallocated Benefits:					
Social Security Contributions	75,000	(2,000)	73,000	68,088	4,912
Other Retirement Contributions - PERS	85,000	(15,000)	70,000	68,658	1,342
Other Retirement Contributions - Regular	1,200	2,000	3,200	1,347	1,853
Unemployment Compensation	10,000	-	10,000	10,000	-
Workmen's Compensation	42,000	-	42,000	32,013	9,987
Health Benefits	1,055,800	(98,500)	957,300	873,686	83,614
Tuition Reimbursement	14,500	-	14,500	12,589	1,911
Other Employee Benefits	1,725	-	1,725	1,575	150
<b>Total Unallocated Benefits</b>	<b>1,285,225</b>	<b>(113,500)</b>	<b>1,171,725</b>	<b>1,067,956</b>	<b>103,769</b>
On-behalf TPAF Pension Contributions (non-budgeted)					
Reimbursed TPAF Social Security Contributions (non-budgeted)					
				349,062	(349,062)
				241,757	(241,757)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>590,819</b>	<b>(590,819)</b>
Total Undistributed Expenditures	4,850,523	88,700	4,939,223	5,176,115	(236,892)
<b>Total Current Expense</b>	<b>7,764,438</b>	<b>-</b>	<b>7,764,438</b>	<b>7,925,379</b>	<b>(160,941)</b>
<b>Capital Outlay:</b>					
Equipment					
Undistributed Expend-Support Services					
Instruction	50,000	-	50,000	50,000	-
Required Maintenance for Schools	135,000	-	135,000	18,161	116,839
Security	36,000	-	36,000	10,120	25,880
Total Equipment	221,000	-	221,000	78,281	142,719
Interest Deposit to Capital Reserve	2,000	-	2,000	-	2,000
Total Deposit to Capital Reserve	2,000	-	2,000	-	2,000
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	22,000	-	22,000	8,640	13,360
Construction Services	201,176	-	201,176	56,863	144,313
Debt Service Assessment on SDA Funding	3,516	-	3,516	3,516	-
Total Facilities Acquisition and Construction Services	226,692	-	226,692	69,019	157,673
<b>Total Capital Outlay</b>	<b>449,692</b>	<b>-</b>	<b>449,692</b>	<b>147,300</b>	<b>302,392</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>Special Schools</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	15,000	-	15,000	13,650	1,350
Other Salaries for Instruction	1,000	-	1,000	-	1,000
Salaries of Teacher Tutors	100	-	100	-	100
Total Summer School - Instruction	16,100	-	16,100	13,650	2,450
<b>Transfer to Charter Schools</b>	30,000	-	30,000	-	30,000
<b>Total Expenditures</b>	<b>8,260,230</b>	-	<b>8,260,230</b>	<b>8,086,329</b>	<b>173,901</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,130,051)	-	(1,130,051)	(362,727)	767,324
Other Financing Sources (Uses)					
Transfers in					
Transfers out					
Transfers to Cover Deficit (Enterprise Fund)	(32,000)	-	(32,000)	(18,000)	14,000
Increase in Capital Reserve	-	-	-	-	-
Total Other Financing Sources (Uses)	(32,000)	-	(32,000)	(18,000)	14,000

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Net change in fund balances	(1,162,051)	-	(1,162,051)	(380,727)	781,324
Fund Balances, July 1	2,749,170	-	2,749,170	2,749,170	-
Fund Balances, June 30	1,587,119	-	1,587,119	2,368,443	781,324

Recapitulation of Fund Balance:

<b>Restricted Fund Balance</b>	
Excess Surplus	519,173
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	659,006
<b>Committed Fund Balance</b>	
Capital Reserve	365,316
Maintenance Reserve	347,287
Tuition Reserve for 2014/2015	50,356
Tuition Reserve for 2015/2016	50,240
<b>Assigned Fund Balance</b>	
Designated for Subsequent Year's Expenditures	80,756
Reserve for Encumbrances	46,309
<b>Unassigned Fund Balance</b>	250,000
	2,368,443

Reconciliation to Governmental Funds Statements (GAAP)  
 Last State Aid Payment Not Recognized on GAAP Basis

	(38,349)
Fund Balance per Governmental Funds (GAAP)	2,330,094

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2014

\$

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources		7,899	7,899	5,829	(2,070)
Total - Local Sources	-	7,899	7,899	5,829	(2,070)
State Sources:					
Preschool Education Aid	184,464		184,464	184,464	-
Other Restricted Entitlements	126,471	7,073	133,544	104,108	(29,436)
Total - State Sources	310,935	7,073	318,008	288,572	(29,436)
Federal Sources:					
Title I	81,334	61,698	143,032	124,594	(18,438)
Title II	34,350	52,676	87,026	23,811	(63,215)
I.D.E.A., Part B	126,136	88,228	214,364	162,830	(51,534)
Other	3,034	1,581	4,615	3,647	(968)
Total - Federal Sources	244,854	204,183	449,037	314,882	(134,155)
<b>Total Revenues</b>	<b>555,789</b>	<b>219,155</b>	<b>774,944</b>	<b>609,283</b>	<b>(165,661)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	244,909	47,071	291,980	268,495	23,485
Other salaries for instruction	101,106	(10,176)	90,930	64,478	26,452
Purchased professional and educational services		4,000	4,000	279	3,721
Tuition	129,170	(121,894)	7,276	5,985	1,291
General supplies	5,351	3,958	9,309	7,628	1,681
Textbooks	14,500	3,271	17,771	17,767	4
<b>Total instruction</b>	<b>495,036</b>	<b>(73,770)</b>	<b>421,266</b>	<b>364,632</b>	<b>56,634</b>

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2014

\$

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>Support Services</b>					
Salaries of Other Professional Staff	37,315	80,902	118,217	88,406	29,811
Personal Services - Employee Benefits	23,438	73,234	96,672	95,788	884
Purchased professional and educational services		83,760	83,760	18,125	65,635
Other Purchased Services		28,500	28,500	19,054	9,446
Travel		7,568	7,568	4,317	3,251
Supplies & Materials		18,961	18,961	18,961	-
<b>Total support services</b>	<b>60,753</b>	<b>292,925</b>	<b>353,678</b>	<b>244,651</b>	<b>109,027</b>
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment		-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to Charter Schools</b>					
		-	-	-	-
<b>Total expenditures</b>	<b>555,789</b>	<b>219,155</b>	<b>774,944</b>	<b>609,283</b>	<b>165,661</b>
<b>Other financing sources</b>					
Transfer from other funds		-	-	-	-
Total other financing sources	-	-	-	-	-
<b>Total outflows</b>	<b>555,789</b>	<b>219,155</b>	<b>774,944</b>	<b>609,283</b>	<b>165,661</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

**City of North Wildwood School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2014**

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

	General Fund	Special Revenue
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 7,723,602	609,283
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		-
Current year		(26,891)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	40,452	10,287
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(38,349)	(10,710)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	7,725,705	581,969
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	8,086,329	609,283
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		-
Current year		(26,891)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 8,086,329	582,392

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SPECIAL REVENUE FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**For The Fiscal Year Ended June 30, 2014**

	Safety Grant	Kids First Grant	Preschool Education	Nonpublic Textbooks	Nonpublic Auxiliary Svcs Corrective Speech	Supplemental Instruction	Nonpublic Handicapped Services Examination & Classification	Comp Ed	Nonpublic Nursing
<b>REVENUES:</b>									
Local Sources	5,680	149	184,464	17,767	8,593	5,388	6,826	32,998	26,094
State Sources									
Federal Sources									
<b>Total revenues</b>	<b>5,680</b>	<b>149</b>	<b>184,464</b>	<b>17,767</b>	<b>8,593</b>	<b>5,388</b>	<b>6,826</b>	<b>32,998</b>	<b>26,094</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers			121,635			5,388	6,826	17,652	
Other salaries for instruction			40,000						
Purchased professional-educational services									
Tuition		149		17,767					
General supplies									
Textbooks									
<b>Total Instruction</b>	<b>-</b>	<b>149</b>	<b>161,635</b>	<b>17,767</b>	<b>-</b>	<b>5,388</b>	<b>6,826</b>	<b>17,652</b>	<b>-</b>
Support services:									
Salaries of other professional staff					8,593				23,582
Personal services- employee benefits								2,065	2,512
Purchased professional-educational services			22,829						
Other purchased services									
Travel									
Supplies and materials	5,680							13,281	
<b>Total support services</b>	<b>5,680</b>	<b>-</b>	<b>22,829</b>	<b>-</b>	<b>8,593</b>	<b>-</b>	<b>-</b>	<b>15,346</b>	<b>26,094</b>
Facilities acquisition and const. serv.:									
Instructional equipment									
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to charter schools									
<b>Total expenditures</b>	<b>5,680</b>	<b>149</b>	<b>184,464</b>	<b>17,767</b>	<b>8,593</b>	<b>5,388</b>	<b>6,826</b>	<b>32,998</b>	<b>26,094</b>
Other financing sources									
Transfer from other funds									
<b>Total outflows</b>	<b>5,680</b>	<b>149</b>	<b>184,464</b>	<b>17,767</b>	<b>8,593</b>	<b>5,388</b>	<b>6,826</b>	<b>32,998</b>	<b>26,094</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Accompanying Auditor's Report

**City of North Wildwood School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2014**

	Nonpublic Technology	Total State/Local Funds	Title I Part A	Title II Part A	I.D.E.A. Part B- Basic Instruction	I.D.E.A. Part B- Basic Preschool	Total Federal Funds	Totals
<b>REVENUES:</b>								
Local Sources		5,829						5,829
State Sources	6,442	288,572	124,594	23,811	162,830	3,647	314,882	288,572
Federal Sources		-						314,882
<b>Total revenues</b>	<b>6,442</b>	<b>294,401</b>	<b>124,594</b>	<b>23,811</b>	<b>162,830</b>	<b>3,647</b>	<b>314,882</b>	<b>609,283</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of teachers		127,023	103,467	1,625	36,380		141,472	268,495
Other salaries for instruction		64,478						64,478
Purchased professional-educational services		-		89	190		279	279
Tuition		-			2,338		5,985	5,985
General supplies	6,442	6,591			1,037		1,037	7,628
Textbooks		17,767						17,767
<b>Total Instruction</b>	<b>6,442</b>	<b>215,859</b>	<b>103,467</b>	<b>1,714</b>	<b>39,945</b>	<b>3,647</b>	<b>148,773</b>	<b>364,632</b>
Support services:								
Salaries of other professional staff		32,175			56,231		56,231	88,406
Personal services- employee benefits		27,406	21,127	124	47,131		68,382	95,788
Purchased professional-educational services		-		5,012	13,113		18,125	18,125
Other purchased services		-		12,644	6,410		19,054	19,054
Travel		-		4,317			4,317	4,317
Supplies and materials		18,961						18,961
<b>Total support services</b>	<b>-</b>	<b>78,542</b>	<b>21,127</b>	<b>22,097</b>	<b>122,885</b>	<b>-</b>	<b>166,109</b>	<b>244,651</b>
Facilities acquisition and const. serv.:								
Instructional equipment		-						-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to charter schools		-						-
<b>Total expenditures</b>	<b>6,442</b>	<b>294,401</b>	<b>124,594</b>	<b>23,811</b>	<b>162,830</b>	<b>3,647</b>	<b>314,882</b>	<b>609,283</b>
Other financing sources								
Transfer from other funds		-						-
<b>Total outflows</b>	<b>6,442</b>	<b>294,401</b>	<b>124,594</b>	<b>23,811</b>	<b>162,830</b>	<b>3,647</b>	<b>314,882</b>	<b>609,283</b>
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-	-	-	-	-

**City of North Wildwood School District  
Special Revenue Fund  
Schedule of Preschool Education Aid  
For the Fiscal Year Ended June 30, 2014**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 121,635	121,635	-
Other salaries for instruction	40,000	40,000	-
Total instruction	<u>161,635</u>	<u>161,635</u>	<u>-</u>
Support services:			
Professional services - employee benefits	22,829	22,829	-
Total support services	<u>22,829</u>	<u>22,829</u>	<u>-</u>
Total Expenditures	<u>\$ 184,464</u>	<u>184,464</u>	<u>-</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2013-14 Preschool Education Aid Allocation	184,464
Add: Actual ECPA/PEA Carryover June 30, 2013	-
Add: Budgeted Transfer from the General Fund 2013-14	-
Total Preschool Education Aid Funds Available for 2013-14 Budget	<u>184,464</u>
Less: 2013-14 Budgeted Preschool Education Aid (Including prior year budget carryover)	<u>(184,464)</u>
Available & Unbudgeted Preschool Education Funds as of June 30, 2014	-
Add: June 30, 2014 Unexpended Preschool Education Aid"	-
Less: 2013-14 Commissioner-approved Transfer to the General Fund	-
2013-14 Carryover - Preschool Education Aid Program	<u>-</u>
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	-

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**FIDUCIARY FUNDS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District**  
**Fiduciary Fund**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2014**

H-1

	Expendable Trust	Agency	Payroll	Total
<b>ASSETS:</b>				
Cash and cash equivalents	15,066	995		16,061
Total Assets	15,066	995		16,061
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Interfund payable		22		22
Other liabilities	1,425	973		2,398
Total Liabilities	1,425	995		2,420
<b>Fund balances:</b>				
Reserved - Unemployment Compensation	13,641			13,641
Total fund balances	13,641	-		13,641
Total liabilities and fund balances	15,066	995		16,061

See Accompanying Auditor's Report

**City of North Wildwood School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2014**

	<u>Unemployment Compensation</u>
<b>ADDITIONS</b>	
Employee contributions	\$ 7,054
Board contributions	<u>10,000</u>
Total additions	<u>17,054</u>
<b>DEDUCTIONS</b>	
Other payments	<u>28,138</u>
Total deductions	<u>28,138</u>
Change in net position	(11,084)
Net position—beginning of the year	<u>24,725</u>
Net position—end of the year	<u>\$ 13,641</u>

**City of North Wildwood School District  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2014**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Margaret Mace School	\$ 13,675	17,921	18,083	13,513
Total All Schools	<u>13,675</u>	<u>17,921</u>	<u>18,083</u>	<u>13,513</u>

**City of North Wildwood School District  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year ended June 30, 2014**

H-4

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,636	5,144,194	5,145,835	995
<b>Total assets</b>	<u>2,636</u>	<u>5,144,194</u>	<u>5,145,835</u>	<u>995</u>
<b>LIABILITIES:</b>				
Interfund payable	17	22	17	22
Payroll deductions and withholdings	2,619	5,144,172	5,145,818	973
<b>Total liabilities</b>	<u>\$ 2,636</u>	<u>5,144,194</u>	<u>5,145,835</u>	<u>995</u>

See Accompanying Auditor's Report

**LONG-TERM DEBT**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

City of North Wildwood School District  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2014

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
School Refunding Bonds	6/4/13	1,095,000	2/1/15	180,000	1.25%	1,095,000		185,000	910,000
			2/1/16	185,000	1.50%				
			2/1/17	180,000	1.75%				
			2/1/18	180,000	2.00%				
			2/1/19	185,000	2.25%				
						\$ 1,095,000	-	185,000	910,000

City of North Wildwood School District  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	204,112		204,112	204,112	-
	<u>204,112</u>	-	<u>204,112</u>	<u>204,112</u>	<u>-</u>
<b>Total Revenues</b>	<b>204,112</b>	<b>-</b>	<b>204,112</b>	<b>204,112</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	49,112	(30,000)	19,112	11,710	7,402
Redemption of Principal	155,000	30,000	185,000	185,000	-
	<u>204,112</u>	<u>-</u>	<u>204,112</u>	<u>196,710</u>	<u>7,402</u>
<b>Total expenditures</b>	<b>204,112</b>	<b>-</b>	<b>204,112</b>	<b>196,710</b>	<b>7,402</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	7,402	7,402
Fund Balance, July 1	7,447		7,447	7,447	-
	<u>7,447</u>	<u>-</u>	<u>7,447</u>	<u>14,849</u>	<u>7,402</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	-		-	14,849	14,849

## **Statistical Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of North Wildwood School District**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*Unaudited*

	For the Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net investment in capital assets	2,014,170	2,940,809	3,439,821	3,681,164	4,034,363	4,384,275	4,053,129	4,666,845	5,104,369	5,117,445
Restricted	163,196	430,174	452,004	383,873	680,627	1,666,063	2,184,374	1,875,610	1,775,786	2,133,292
Unrestricted	(15,798)	975,561	357,140	578,304	886,169	(19,560)	215,167	556,075	616,164	(125,727)
Total governmental activities net position	<u>2,161,568</u>	<u>4,346,544</u>	<u>4,248,965</u>	<u>4,643,341</u>	<u>5,601,159</u>	<u>6,030,778</u>	<u>6,452,670</u>	<u>7,098,530</u>	<u>7,496,319</u>	<u>7,125,010</u>
<b>Business-type activities</b>										
Net investment in capital assets	159									-
Unrestricted	9,209	18,959	5,973	15,050	59,808	42,887	28,723	28,453	28,082	26,759
Total business-type activities net position	<u>9,209</u>	<u>18,959</u>	<u>5,973</u>	<u>15,050</u>	<u>59,808</u>	<u>42,887</u>	<u>28,723</u>	<u>28,453</u>	<u>28,082</u>	<u>26,759</u>
<b>District-wide</b>										
Net investment in capital assets	2,014,329	2,940,809	3,439,821	3,681,164	4,034,363	4,384,275	4,053,129	4,666,845	5,104,369	5,117,445
Restricted	163,196	430,174	452,004	383,873	680,627	1,666,063	2,184,374	1,875,610	1,775,786	2,133,292
Unrestricted	(6,589)	994,520	363,113	593,354	945,977	23,327	243,890	584,528	644,246	(98,968)
Total district net position	<u>2,170,936</u>	<u>4,365,503</u>	<u>4,254,938</u>	<u>4,658,391</u>	<u>5,660,967</u>	<u>6,073,665</u>	<u>6,481,393</u>	<u>7,126,983</u>	<u>7,524,401</u>	<u>7,151,769</u>

Source: CAFR Schedule A-1

**City of North Wildwood School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year End June 30,										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Expenses</b>											
Governmental activities											
Instruction											
Regular	3,136,509	3,031,863	3,310,579	2,625,157	2,607,917	2,706,992	3,040,110	2,646,185	2,811,749	3,147,845	
Special education	386,467	561,568	606,939	1,373,585	1,055,870	1,125,527	1,163,252	1,048,370	1,121,326	473,773	
Other special instruction	142,152	245,967	293,482	223,126	378,571	377,665	427,572	442,881	449,528	411,615	
Support Services:											
Tuition	1,533,790	1,755,493	2,139,839	1,611,681	1,463,720	1,717,877	1,684,553	1,631,295	1,103,392	1,810,373	
Student & instruction related services	1,207,627	1,283,596	1,511,146	1,553,354	1,269,119	1,300,517	1,330,729	1,441,191	1,487,216	1,379,638	
Other administrative services	420,501	462,685	472,696	441,237	406,039	453,178	458,211	466,898	512,403	276,396	
School administrative services	100,301	60,053	66,900	68,694	67,405	69,839	72,612	81,282	84,578	82,432	
Business administrative services	60,939	-	-	-	-	-	-	-	-	193,452	
Plant operations and maintenance	592,223	547,397	637,913	647,930	665,687	694,323	696,209	740,308	796,769	790,451	
Pupil transportation	146,282	162,718	182,558	189,170	145,044	168,029	109,930	81,781	128,107	215,837	
Special Schools										13,650	
Capital Outlay	103,905	91,856	93,824	87,811	81,568	77,093	72,941	60,414	44,495	53,516	
Interest on long-term debt	2,491	-	-	-	-	-	-	-	-	16,117	
Unallocated depreciation											
Total governmental activities expenses	7,833,187	8,203,196	9,315,876	8,821,745	8,140,940	8,691,040	9,056,119	8,640,605	8,539,563	8,865,095	
Business-type activities:											
Food service	127,071	118,506	139,947	132,786	108,220	126,591	129,409	126,415	107,538	121,195	
Total business-type activities expense	127,071	118,506	139,947	132,786	108,220	126,591	129,409	126,415	107,538	121,195	
Total district expenses	7,960,258	8,321,702	9,455,823	8,954,531	8,249,160	8,817,631	9,185,528	8,767,020	8,647,101	8,986,290	
<b>Program Revenues</b>											
Governmental activities:											
Charges for services	670,393	704,353	891,849	609,831	742,639	832,520	1,230,154	977,483	747,543	675,000	
Operating grants and contributions	1,782,412	1,286,086	930,293	881,205	517,152	582,741	634,451	638,447	617,723	1,172,788	
Capital grants and contributions		13,375	13,961	15,762	2,721	-	-	-	-	-	
Total governmental activities program revenues	2,452,805	2,003,814	1,836,103	1,506,798	1,262,512	1,415,261	1,864,605	1,615,930	1,365,266	1,847,788	

**City of North Wildwood School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year End June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-type activities:</b>										
Charges for services										
Food service	38,022	37,026	33,611	48,301	51,971	50,645	50,095	45,864	33,859	38,507
Operating grants and contributions	42,138	48,362	53,483	56,027	56,961	58,949	65,118	62,266	55,804	63,361
Total business-type activities program revenues	80,160	85,388	87,094	104,328	108,932	109,594	115,213	108,130	89,663	101,868
Total district program revenues	2,532,965	2,089,202	1,923,197	1,611,126	1,371,444	1,524,855	1,979,818	1,724,060	1,454,929	1,949,656
<b>Net (Expense)/Revenue</b>										
Governmental activities	(5,380,382)	(6,199,382)	(7,479,773)	(7,314,947)	(6,878,428)	(7,275,779)	(7,191,514)	(7,024,675)	(7,174,297)	(7,017,307)
Business-type activities	(46,911)	(33,118)	(52,853)	(28,458)	712	(16,997)	(14,196)	(18,285)	(17,875)	(19,327)
Total district-wide net expense	(5,427,293)	(6,232,500)	(7,532,626)	(7,343,405)	(6,877,716)	(7,292,776)	(7,205,710)	(7,042,960)	(7,192,172)	(7,036,634)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	5,250,589	5,536,977	5,817,655	6,141,963	6,207,000	6,191,647	6,226,245	6,150,979	5,906,960	5,777,639
Taxes levied for debt service	227,141	226,605	225,824	224,811	223,568	222,093	260,387	218,449	211,280	204,112
Unrestricted grants and contributions	157,033	614,670	1,269,107	1,285,155	1,392,606	1,167,682	1,230,154	1,285,060	1,350,330	662,643
Investment earnings	20,241	53,713	65,785	47,758	22,534	8,279	4,499	2,688	2,514	10,904
Miscellaneous income	5,615	6,467	43,669	47,143	34,538	115,696	55,274	31,357	118,501	8,700
Transfers	(38,143)	(42,699)	(39,844)	(37,507)	(44,000)			(18,000)	(17,500)	(18,000)
Total governmental activities	5,622,476	6,395,733	7,382,196	7,709,323	7,836,246	7,705,397	7,776,559	7,670,533	7,572,085	6,645,998
Business-type activities:										
Investment earnings	20	11	22	28	44	76	33	15	4	4
Transfers	38,143	42,699	39,844	37,507	44,000			18,000	17,500	18,000
Total business-type activities	38,163	42,710	39,866	37,535	44,044	76	33	18,015	17,504	18,004
Total district-wide	5,660,639	6,438,443	7,422,062	7,746,858	7,880,290	7,705,473	7,776,592	7,688,548	7,589,589	6,664,002
<b>Change in Net Position</b>										
Governmental activities	242,094	196,351	(97,577)	394,376	957,818	429,618	585,045	645,858	397,788	(371,309)
Business-type activities	(8,748)	9,592	(12,987)	9,077	44,756	(16,921)	(14,163)	(270)	(371)	(1,323)
Total district	233,346	205,943	(110,564)	403,453	1,002,574	412,697	570,882	645,588	397,417	(372,632)

Source: CAFR Schedule A-2

**City of North Wildwood School District  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
Unaudited**

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Restricted							1,772,213	1,875,610	1,768,339	1,178,179
Committed							97,340	623,811	730,831	813,199
Assigned							351,358	86,254		141,914
Unassigned							215,167	202,811	209,548	211,651
Reserved	1,094,860	1,241,695	958,744	922,395	1,501,773	1,707,387				
Unreserved	301,254	208,764	270,508	414,894	392,528	333,740				
Total general fund	1,396,114	1,450,459	1,229,252	1,337,289	1,894,301	2,041,127	-	2,788,486	2,708,718	2,344,943
<b>All Other Governmental Funds</b>										
Restricted							(9,982)	(11,184)	(2,840)	
Reserved										
Unassigned			8,143							
Unreserved, reported in:										
Special revenue fund	(22,811)	(22,811)	(22,811)	(26,073)	(16,458)	(17,325)				(10,710)
Capital projects fund	10,086	10,086	1,943							
Debt service fund										
Total all other governmental funds	(12,725)	(12,725)	(12,725)	(26,073)	(16,458)	(17,325)	-	(11,184)	(2,840)	(10,710)

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1

**City of North Wildwood School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
Unaudited**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax levy	5,477,730	5,763,582	6,043,479	6,366,774	6,430,568	6,413,740	6,486,632	6,369,428	6,118,240	5,981,751
Tuition charges	670,393	704,353	891,849	609,831	742,639	832,520	1,230,154	977,483	747,542	675,000
Interest earnings	20,241	53,713	65,785	47,758	22,534	8,279	4,499	2,688	2,514	10,904
Miscellaneous	9,077	8,640	47,684	54,550	38,288	118,942	57,274	34,248	119,462	14,529
State sources	1,603,664	1,630,460	1,822,276	1,908,936	1,617,582	1,398,241	1,330,021	1,527,082	1,613,021	1,541,611
Federal sources	332,319	281,498	387,069	275,865	292,176	348,935	369,431	393,534	354,071	287,991
Total revenue	8,113,424	8,442,246	9,258,142	9,263,714	9,143,787	9,120,657	9,478,011	9,304,463	8,954,850	8,511,786
<b>Expenditures</b>										
Instruction										
Regular instruction	2,500,903	2,325,304	2,506,593	1,937,246	1,955,512	1,981,818	1,969,525	2,007,064	2,020,134	2,430,666
Special education instruction	266,318	247,456	298,153	990,364	773,356	857,492	907,588	795,162	805,629	365,598
Other special instruction	105,312	167,630	206,175	149,519	279,334	277,074	290,865	324,994	310,469	317,632
Support Services:										
Tuition	1,513,154	1,737,918	2,098,061	1,581,864	1,414,839	1,714,852	1,684,553	1,616,948	1,103,392	1,397,018
Student & instruction related services	1,008,450	1,106,666	1,189,110	1,184,531	1,016,225	996,806	1,017,736	1,093,107	1,068,508	1,066,480
General administrative services	355,096	354,697	381,855	366,063	351,060	350,866	351,402	354,130	368,142	213,287
School Administrative services	53,808	49,806	52,816	54,843	54,417	54,046	57,020	61,650	60,766	63,610
Business administrative services										149,282
Plant operations and maintenance	469,571	496,950	534,153	546,045	564,920	576,647	585,246	572,251	594,596	609,970
Pupil transportation	146,282	162,718	182,558	189,170	145,044	168,029	109,930	81,781	128,107	166,556
Unallocated employee benefits	1,246,174	1,310,094	1,604,175	1,660,696	1,371,736	1,484,714	1,519,825	1,563,827	1,800,473	1,727,672
Special Schools	15,058	16,408	14,274	29,817	22,336	9,141	10,200	10,920	12,500	13,650
Charter Schools	20,636	17,574	41,778	17,313	48,881	3,026		14,347		-
Capital outlay	43,454	128,375	103,978	189,151	311,931	278,095	351,443	220,527	524,880	147,300
Debt service:										
Principal	120,000	120,000	130,000	135,000	140,000	145,000	150,000	155,000	155,000	185,000
Interest and other charges	107,155	101,605	95,824	89,811	83,568	77,093	70,386	63,449	56,280	11,710
Total expenditures	7,971,371	8,343,201	9,439,503	9,121,433	8,533,159	8,974,699	9,075,719	8,935,157	9,008,876	8,865,431
Excess (Deficiency) of revenues over (under) expenditures	142,053	99,045	(181,361)	142,281	610,628	145,958	402,292	369,306	(54,026)	(353,645)
<b>Other Financing sources (uses)</b>										
Cancellation of prior year receivable				(10,086)						
Transfers in					1					
Transfers out	(38,143)	(42,699)	(39,844)	(37,507)	(44,001)	-	-	(18,000)	(17,500)	(18,000)
Total other financing sources (uses)	(38,143)	(42,699)	(39,844)	(47,593)	(44,000)	-	-	(18,000)	(17,500)	(18,000)
Net change in fund balances	103,910	56,346	(221,205)	94,688	566,628	145,958	402,292	351,306	(71,526)	(371,645)
Debt service as a percentage of noncapital expenditures	2.87%	2.70%	2.42%	2.52%	2.72%	2.55%	2.53%	2.51%	2.49%	2.26%

Source: CAFR Schedule B-2

**City of North Wildwood School District**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2005	20,241	670,393	5,615	696,249
2006	53,714	704,353	6,467	764,534
2007	65,785	891,849	43,669	1,001,303
2008	47,758	609,831	54,550	712,139
2009	22,534	742,639	38,288	803,461
2010	19,734	832,520	107,488	959,742
2011	16,528	1,230,154	45,246	1,291,928
2012	2,688	977,483	31,357	1,011,528
2013	2,514	747,542	111,056	861,112
2014	10,904	675,000	8,700	694,604

Source: District Records

**City of North Wildwood School District**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Vacant Land		Residential		Farm		Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
					Reg.	Qfarm									
2005	10,820,200	645,436,400					118,183,700		20,093,500	794,533,800	-	378,299	794,912,099	0.726	1,686,105,902
2006	179,405,150	2,698,835,000					434,694,900		79,092,200	3,392,027,250	-	723,217	3,392,750,467	0.178	2,101,638,353
2007	76,613,200	2,940,213,200					393,328,300		67,648,000	3,477,802,700	-	743,549	3,478,546,249	0.183	2,843,099,226
2008	69,472,400	3,042,451,375					354,785,300		63,952,100	3,530,661,175	-	796,315	3,531,457,490	0.183	3,151,513,752
2009	54,060,600	3,083,034,000					351,901,300		59,245,500	3,548,241,400	-	861,912	3,549,103,312	0.181	3,275,702,917
2010	58,190,200	3,047,917,100					339,914,300		57,494,500	3,503,516,100	-	837,778	3,504,353,878	0.186	3,091,959,519
2011	37,159,400	2,393,983,800					279,924,500		40,757,200	2,751,824,900	-	681,208	2,752,506,108	0.232	3,004,938,527
2012	35,211,800	2,381,552,500					278,853,700		41,089,400	2,736,707,400	-	665,816	2,737,373,216	0.224	2,818,095,972
2013	39,188,900	2,368,078,800					277,243,700		41,500,100	2,726,011,500	-	642,933	2,726,654,433	0.220	2,735,759,610
2014	33,131,200	2,374,440,500					270,180,500		38,937,600	2,716,689,800	-	463,570	2,717,153,370	0.233	3,054,010,756

Source: District records Tax list summary & 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 ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**City of North Wildwood School District**  
**Direct and Overlapping Property Tax Rates**  
**Rate per \$100 of Assessed Value**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	City of North Wildwood Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Municipal Local Purpose	Cape May County	Total Direct and Overlapping Tax Rate	
		Total Direct	Total				
2005	0.697	0.029	0.726	1.315	0.519	2.560	
2006	0.149	0.029	0.178	0.392	0.130	0.700	
2007	0.176	0.007	0.183	0.392	0.155	0.730	
2008	0.177	0.006	0.183	0.432	0.170	0.785	
2009	0.175	0.006	0.181	0.450	0.185	0.816	
2010	0.180	0.006	0.186	0.472	0.187	0.845	
2011	0.224	0.008	0.232	0.600	0.240	1.072	
2012	0.216	0.008	0.224	0.612	0.238	1.074	
2013	0.212	0.008	0.220	0.612	0.246	1.078	
2014	0.226	0.007	0.233	0.625	0.243	1.101	

Source: District Records and Municipal Tax Collector

**Note:** NJS A 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 prebudget year net budget by more than the spending growth limitation calculation.

**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.

**City of North Wildwood School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago  
Unaudited**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Youschak Properties, LLC	25,372,298	1	0.93%			
The Morey Organization	10,327,430	2	0.38%			
Sportland Investments	7,898,547	3	0.29%			
K. Hovnanian at N. Wildwood, LLC				8,790,000	1	1.11%
Will & Bill Morey Enterprises, Inc.				7,160,800	2	0.90%
Surf Song, Inc.				3,493,400	3	0.44%
Taxpayer #1	5,152,044	8	0.19%	3,056,100	4	0.38%
Kings Inn Motel	6,656,222	4	0.24%	2,450,000	5	0.31%
W & E Enterprises				2,271,200	6	0.29%
Wyoming Properties, Inc.	6,160,036	5	0.23%	2,086,000	7	0.26%
Taxpayer #2				1,990,700	8	0.25%
Taxpayer #3				1,859,900	9	0.23%
Matador Motel, Inc.	5,576,203	6	0.21%	1,870,000	10	0.24%
W & E Enterprise, Inc.	5,428,338	7	0.20%			
North Point Developers, LLC	4,936,603	9	0.18%			
Wildwood Grocery Owners, LLC	4,934,968	10	0.18%			
<b>Total</b>	<b>82,442,688</b>		<b>0.87%</b>	<b>35,028,100</b>		<b>4.41%</b>

Source: District CAFR & Municipal Tax Assessor  
District Total Taxable Value

2,717,153,370

794,912,099

GASB requires this table to present the principal taxpayers for the current year and nine years ago.

**City of North Wildwood School District**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	5,477,730	5,477,730	100%	-
2006	5,763,582	5,763,582	100%	-
2007	6,043,479	6,043,479	100%	-
2008	6,366,774	6,366,774	100%	-
2009	6,430,568	6,430,568	100%	-
2010	6,413,740	6,413,740	100%	-
2011	6,486,632	6,486,632	100%	-
2012	6,369,428	6,369,428	100%	-
2013	6,118,240	6,118,240	100%	-
2014	5,981,751	5,981,751	100%	-

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

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

**City of North Wildwood School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	
2005	2,181,000	-	-	-	-	2,181,000	1.100%	459
2006	2,056,000	-	-	-	-	2,056,000	0.980%	427
2007	1,926,000	-	-	-	-	1,926,000	0.866%	395
2008	1,791,000	-	-	-	-	1,791,000	0.780%	370
2009	1,651,000	-	-	-	-	1,651,000	0.716%	342
2010	1,506,000	-	-	-	-	1,506,000	0.767%	373
2011	1,356,000	-	-	-	-	1,356,000	0.667%	338
2012	1,201,000	-	-	-	-	1,201,000	0.576%	301
2013	1,095,000	-	-	-	-	1,095,000	0.528%	276
2014	910,000	-	-	-	-	910,000	0.439%	229

Source: District CAFR Schedules I-1, I-2

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

<sup>a</sup> 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.

**City of North Wildwood School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*Unaudited*

General Bonded Debt Outstanding						
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>	
2005	2,181,000	-	2,181,000	0.13%	459	
2006	2,056,000	-	2,056,000	0.10%	427	
2007	1,926,000	-	1,926,000	0.07%	395	
2008	1,791,000	-	1,791,000	0.06%	370	
2009	1,651,000	-	1,651,000	0.05%	342	
2010	1,506,000	-	1,506,000	0.05%	373	
2011	1,356,000	-	1,356,000	0.05%	338	
2012	1,201,000	-	1,201,000	0.04%	301	
2013	1,095,000	-	1,095,000	0.04%	276	
2014	910,000	-	910,000	0.03%	229	

**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.

**City of North Wildwood School District**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2014**  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
City of North Wildwood	50,825,980	100.00%	50,825,980
<b>Other debt</b>			
Cape May County MJA	69,386,326	5.63%	3,907,937
Cape May Bridge Commission	15,453,658	5.63%	870,372
Cape May County	268,169,758	5.63%	15,103,703
Subtotal, overlapping debt			70,707,992
<b>City of North Wildwood School District debt</b>	910,000	100.00%	910,000
<b>Total direct and overlapping debt</b>			<u><u>71,617,992</u></u>

**Sources:** City of North Wildwood Finance Officer, Cape May County Finance Office

**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 City of North Wildwood. 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.



**City of North Wildwood School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited***

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2005	4,752	198,287	41,727	11.00%
2006	4,818	209,737	43,532	11.50%
2007	4,872	222,524	45,674	11.00%
2008	4,843	229,549	47,398	13.40%
2009	4,822	230,482	47,798	18.70%
2010	4,040	196,296	48,588	19.40%
2011	4,013	203,439	50,695	20.30%
2012	3,989	208,529	52,276	19.20%
2013	3,968	207,431	52,276	21.60%
2014	3,968	207,431	52,276	14.20%

**Source:**

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

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, November 21, 2013

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

City of North Wildwood School District  
Principal Employers,  
Current Year and Nine Years Ago  
*Unaudited*

Employer	2014			2005		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	-		-			-

*This information is not available for this district.*

**City of North Wildwood School District**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**  
*Unaudited*

<u>Function/Program</u>	<u>2005</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>
Instruction										
Regular	38.0	38.0	38.0	36.0	37.0	37.0	37.0	36.0	36.0	36.0
Special education	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Other special education instruction			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other instruction	8.0	8.0	8.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0
Nonpublic school programs	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Support Services:										
Student & instruction related services	7.0	7.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0
General administrative services	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	6.0	6.0	7.0	7.0	7.0	7.0	7.0	6.0	7.0	7.0
Food Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>76.0</b>	<b>77.0</b>	<b>78.0</b>	<b>74.0</b>	<b>74.0</b>	<b>74.0</b>	<b>74.0</b>	<b>72.0</b>	<b>74.0</b>	<b>76.0</b>

**Source: District Personnel Records**

**City of North Wildwood School District  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2005	342	7,700,762	22,517	18.85%	52	6:1	337	313	-7.16%	92.88%	
2006	296	7,993,222	27,004	19.93%	51	6:1	310	289	-8.01%	93.23%	
2007	315	9,109,703	28,920	7.09%	51	6:1	313	290	0.97%	92.65%	
2008	307	8,707,471	28,363	-1.92%	51	6:1	337	313	7.67%	92.88%	
2009	317	7,997,662	25,229	-11.05%	51	6:1	316	291	-6.23%	92.09%	
2010	317	8,474,510	26,733	5.96%	51	6:1	320	298	1.27%	93.13%	
2011	320	8,503,889	26,575	-0.59%	51	6:1	317	292	-0.94%	92.11%	
2012	299	8,496,181	28,415	6.93%	51	6:1	308	288	-2.84%	93.51%	
2013	309	8,272,715	26,773	-5.78%	51	6:1	313	291	1.62%	92.97%	
2014	317	8,521,421	26,881	0.41%	52	6:1	320	300	2.24%	93.75%	

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**City of North Wildwood School District  
School Building Information  
Last Ten Fiscal Years  
Unaudited**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Charles L. Spragg School (1955)	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811
Square Feet	538	538	538	538	538	538	538	538	538	538
Capacity (students)	342	296	316	308	317	317	320	299	309	317
Enrollment										

Number of District Buildings at June 30, 2014  
 Elementary = 1  
 Middle School = 0

**Source: District records, ASSA**

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**City of North Wildwood School District**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Years**  
*Unaudited*

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

School Facilities	Project # (s)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Margaret Mace School	N/A	71,027	63,031	68,931	67,613	55,392	58,586	58,640	57,842	34,396	45,084
<b>Grand Total</b>		<u>71,027</u>	<u>63,031</u>	<u>68,931</u>	<u>67,613</u>	<u>55,392</u>	<u>58,586</u>	<u>58,640</u>	<u>57,842</u>	<u>34,396</u>	<u>45,084</u>

**City of North Wildwood School District**  
**Insurance Schedule**  
**June 30, 2014**  
***Unaudited***

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building & Contents	150,000,000	500
Comprehensive General Liability and Automobile	15,000,000	
Comprehensive Crime Coverage	500,000	500
Boiler and Machinery - ACCASBOJIF		
Property Damage	125,000,000	1,000
Workers; Compensation - ACCASBOJIF		
Coverage A	Statutory	
Educator's Legal Liability - ACCASBOJIF	15,000,000	
Pollution Legal Liability	3,000,000	25,000
Cyber Liability	1,000,000	25,000

The Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF), which is formed under the provisions of NJSA 18A:18B 1-10. The ACCASBOJIF was formed by its member districts to provide a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. It achieves this goal by pooling together members' resources, deciding on what insurance coverage's it will offer and/or purchase and at what retention, and by hiring professionals to help run the Fund.

Source: District Records.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Single Audit Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
PHONE 609.399.6333 • FAX 609.399.3710  
www.ford-scott.com

## Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May  
City of North Wildwood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Wildwood School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of North Wildwood School District's basic financial statements, and have issued our report thereon dated November 14, 2014.

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

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of North Wildwood School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing

an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*  
**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**November 14, 2014**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
PHONE 609.399.6333 • FAX 609.399.3710  
www.ford-scott.com

## Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May, New Jersey

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

We have audited the City of North Wildwood School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of North Wildwood School District's major federal and state programs for the year ended June 30, 2014. The City of North Wildwood School District'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 City of North Wildwood School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, and New Jersey 04-04 *State Aid/Grant Compliance Supplement*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of North Wildwood School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### ***Opinion on Each Major Federal and State Program***

In our opinion, the City of North Wildwood School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its federal and major state programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of the City of North Wildwood School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of North Wildwood School District'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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of North Wildwood School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 and NJ OMB 04-04. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*  
**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**November 14, 2014**

City of North Wildwood School District  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) June 30, 2013	Unearned Revenue June 30, 2013	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustments	(Accounts Receivable) June 30, 2014	Unearned Revenue June 30, 2014	Due to Grantor at June 30, 2014
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Education:</b>														
Enterprise Fund:														
School Breakfast Program	10.553		7/1/13-6/30/14	7,568				6,779	(7,568)			(789)		
School Breakfast Program	10.553		7/1/12-6/30/13	5,650	(468)			468						
National School Lunch Program	10.555		7/1/13-6/30/14	54,588	(3,305)			50,137	(54,588)			(4,451)		
National School Lunch Program	10.555		7/1/12-6/30/13	49,094				3,305						
Total Enterprise Fund					(3,773)			60,689	(62,156)			(5,240)		
<b>U.S. Department of Education</b>														
General Fund:														
ARRA - Education Jobs Fund	84.410A		9/1/12-8/31/13	2,038	(2,038)			2,038						
Total General Fund					(2,038)			2,038						
<b>Passed-through State Department of Education:</b>														
Special Revenue Fund:														
Title I, Part A	84.010			143,032				97,961	(124,594)		12,217	(26,633)		
Title I, Part A	84.010		9/1/13-6/30/14	172,821	(65,691)	8,573		34,901						
ARRA - Title II, Part A	84.389		7/1/09-6/31/11	50,262	(742)	9,219			(124,594)		12,217	(26,633)		
Total NCLB, Title I					(66,433)			132,862						
Title II, Part A	84.288A		9/1/13-6/30/14	87,026		17,069		20,228	(23,811)		18,308	(3,583)		
Title II, Part A	84.288A		9/1/12-8/31/13	46,639	(49,312)	12,875		13,935			(12,975)			
Title II, Part A	84.288A		9/1/10-8/31/11	91,348	(49,312)	30,044		34,163	(23,811)		5,333	(3,583)		
Total Title II, Part A														
IDEA, Part B - Basic	84.027		9/1/13-6/30/14	213,082		40,841		138,613	(162,830)		(380)	(23,217)		
IDEA, Part B - Basic	84.027		9/1/12-8/31/13	231,888	(146,713)			106,252						
ARRA - IDEA, Part B - Basic	84.391		7/1/09-6/31/11	130,539		1					(1)			
IDEA, Part B - Preschool	84.173		9/1/13-6/30/14	3,186	(3,920)	560		3,647	(3,647)					
IDEA, Part B - Preschool	84.173		9/1/12-8/31/13	4,409	(150,633)	41,422		252,882	(166,477)		(381)	(23,217)		
Total IDEA Part B					(256,378)	80,781		419,877	(314,882)		17,169	(53,433)		
Total Special Revenue Fund					(256,378)	80,781		419,877	(314,882)		17,169	(53,433)		
Total Federal Financial Awards				\$	(282,189)	80,781		482,604	(377,038)		17,169	(58,673)		

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

City of North Wildwood School District  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year ended June 30, 2014

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Year's Balances	(Accounts Receivable)	Balance at June 30, 2014			
											Budgetary Receivable	Unearned Revenue	Due to Grantor	MEMO
<b>State Department of Education</b>														
General Fund														
Categorical Special Education Aid	485-034-5120-089	7/1/13-6/30/14	154,606	\$		154,606	(154,606)					29,776		154,606
Special Education Aid	485-034-5120-084	7/1/13-6/30/14	59,917			59,917	(59,917)					3,231		59,917
Special Education Aid	485-034-5120-085	7/1/13-6/30/14	396,411			396,411	(396,411)							
Advisement Aid	485-034-5120-014	7/1/13-6/30/14	49,606			49,606	(49,606)					1,968		49,606
Transportation Aid	485-034-5120-014	7/1/13-6/30/14	241,757			241,757	(241,757)							241,757
Reimbursed TPAF Social Security Contributions	485-034-5085-051	7/1/13-6/30/14												
<b>Total General Fund</b>						902,297	(902,297)						27,974	505,886
<b>Special Revenue Fund:</b>														
Preschool Aid	485-034-5064-086	7/1/13-6/30/14	184,464			184,464	(184,464)					10,709		184,464
Preschool Aid	485-034-5064-086	7/1/12-6/30/13	154,056	3,042					(4)		3,042			154,056
Character Education	485-034-5120-053	7/1/06-6/30/07	4,000	777					(709)		777			4,000
Character Education	485-034-5120-053	7/1/07-6/30/08	4,000	385							385			4,000
Homebound Instruction	N/A	7/1/12-6/30/13	435	(435)						(435)				435
<b>NJ Nonpublic Aid</b>														
Textbook Aid	100-034-5120-064	7/1/13-6/30/14	17,771			17,771	(17,767)						4	17,767
Textbook Aid	100-034-5120-064	7/1/12-6/30/13	18,125	4					(4)					18,107
Nursing	100-034-5120-070	7/1/13-6/30/14	26,094			26,094	(26,094)							26,094
Nursing	100-034-5120-070	7/1/12-6/30/13	25,156	709					(709)					24,446
Technology Aid	100-034-5120-373	7/1/13-6/30/14	6,480			6,480	(6,442)						38	6,442
Technology Aid	100-034-5120-373	7/1/12-6/30/13	6,889	91					(91)					6,898
Auxiliary Services	100-034-5120-373	7/1/13-6/30/14	8,593			8,593	(8,593)							8,593
Connective Speech	100-034-5120-067	7/1/12-6/30/13	5,234	3,446					(3,446)					5,234
<b>Head Start Services:</b>														
Head Start Services	100-034-5120-068	7/1/13-6/30/14	15,615			15,615	(6,826)						8,789	6,826
Head Start Services	100-034-5120-068	7/1/12-6/30/13	16,254	8,184					(8,184)					8,070
Elimination and Classification	100-034-5120-068	7/1/13-6/30/14	7,632			7,632	(5,388)						2,244	5,388
Supplemental Instruction	100-034-5120-068	7/1/12-6/30/13	9,714	3,202					(3,202)					6,513
Supplemental Instruction	100-034-5120-068	7/1/13-6/30/14	51,359	33,117		51,359	(32,998)		(33,117)				18,361	32,998
Compensatory Education	100-034-5120-068	7/1/12-6/30/13	76,919											43,802
<b>Total Special Revenue Fund</b>				52,532		318,008	(288,572)		(48,753)	(435)	4,214	10,709	29,436	562,661
<b>State Department of Agriculture</b>														
Enterprise Fund:														
National School Lunch Program (State Share)	100-010-3350-023	7/1/13-6/30/14	1,205			1,106	(1,205)			(99)				1,205
National School Lunch Program (State Share)	100-010-3350-023	7/1/12-6/30/13	1,060	(70)		70								1,020
<b>Total Enterprise Fund</b>				(70)		1,176	(1,205)			(99)				2,825
<b>Total State Financial Assistance</b>			\$	52,462		1,221,481	(1,192,074)		(48,753)	(534)	4,214	36,683	29,436	1,071,372

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

**City of North Wildwood School District**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2014**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is \$2,103 for the general fund and (\$26,891) for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**City of North Wildwood School District**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>State Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$902,297	288,572	1,205	1,192,074
Difference – budget to "GAAP"				
On-behalf payments recognized for GAAP statements but not included in the Schedule of Financial Assistance	349,062			349,062
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	40,452	10,287		50,739
State aid payments recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(38,349)	(10,710)		(49,059)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position	<u>\$1,253,462</u>	<u>288,149</u>	<u>1,205</u>	<u>1,542,816</u>

**City of North Wildwood School District  
Notes to the Schedules of Financial Assistance  
June 30, 2014**

	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Local Assistance:</b>			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$5,829		4,624
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position	<u>5,829</u>	<u>-</u>	<u>5,829</u>
<b>Federal Assistance:</b>			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	314,882	62,156	377,038
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	(26,891)		(26,891)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances/net position	<u>\$287,991</u>	<u>62,156</u>	<u>350,147</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Part I -- Summary of Auditor's Results**

**Financial Statement Section**

A) Type of auditor's report issued:	Unmodified		
<hr/>			
B) Internal control over financial reporting:			
1) Material weakness(es) identified?	yes	<u>  X  </u>	no
2) Were significant deficiencies identified?	yes	<u>  X  </u>	none reported
<hr/>			
C) Noncompliance material to general-purpose financial statements noted?	yes	<u>  X  </u>	no
<hr/>			

**Federal Awards Section**

NOT APPLICABLE

D) Internal Control over compliance:			
1) Material weakness(es) identified?	yes	<u>          </u>	no
2) Were significant deficiencies identified?	yes	<u>          </u>	none reported
<hr/>			
E) Type of auditor's report on compliance for major programs	<hr/>		
<hr/>			
F) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.	yes	<u>          </u>	no
<hr/>			

G) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

<hr/>	<hr/>

H) Dollar threshold used to determine Type A programs: 

---

I) Auditee qualified as low-risk auditee? 

---

 yes 

---

 no 

---

 n/a

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Part I -- Summary of Auditor's Results**

**State Awards Section**

- J) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  no
- K) Type of auditor's report on compliance for major programs \_\_\_\_\_  Unmodified
- L) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? \_\_\_\_\_ yes  X  no

M) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	Categorical Special Education Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-085	Adjustment Aid
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- N) Dollar threshold used to determine Type A programs: \_\_\_\_\_  \$300,000
- O) Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no \_\_\_\_\_ n/a

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***Part 2 – Schedule of Financial Statement Findings***

NONE

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

This section identifies audit findings required to be reported by section .510(1) of Circular A-133 and New Jersey OMB's Circular 04-04.

**FEDERAL AWARDS**

NONE

**STATE AWARDS**

NONE

**STATUS OF PRIOR YEAR FINDINGS**

**Financial Statement Findings:**

NONE