

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of West Wildwood Board of Education**

**West Wildwood, New Jersey**

**For the Fiscal Year Ended June 30, 2014**



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## **INTRODUCTORY SECTION**



**West Wildwood Board of Education**  
**701 West Glenwood Avenue**  
**West Wildwood, NJ 08260**

***Phone (609) 391-2119***

***Fax (609) 390-3689***

November 7, 2014

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Borough of West Wildwood School District 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 are accurate in all material respects and are 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 the table of contents, this transmittal letter and a roster of officials. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is not 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*.

**REPORTING ENTITY AND ITS SERVICES**

The Borough of West Wildwood Board of Education is an independent reporting entity within the criteria adopted by the GASB Statement No. 14 as established by NCGA Statement No. 3. All funds of the District are included in this report. The West Wildwood Board of Education constitutes the District's reporting entity.

## REPORTING ENTITY AND ITS SERVICES (Continued)

As a non-operating district, our major responsibilities are providing tuition and transportation for the District's resident students. The District completed the 2013-2014 fiscal year with an enrollment of 55.0 students, 3.77% percent below the previous year's student count. The following details the changes in the students sent from the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	55.0	3.77%
2012-2013	53.0	0.00%
2011-2012	53.0	-11.67%
2010-2011	60.0	7.14%
2009-2010	56.0	-8.20%
2008-2009	61.0	8.93%
2007-2008	56.0	-8.20%
2006-2007	61.0	8.93%
2005-2006	56.0	3.70%
2004-2005	54.0	-14.96%

## ECONOMIC CONDITION AND OUTLOOK

The Borough of West Wildwood community has an economy based on tourism. Enrollment levels have remained stable for the last few years due to the stabilizing of the economy in recent years.

## MAJOR INITIATIVES

As a non-operating school district, the Borough of West Wildwood School District, a sending district only, adheres to all policies and procedures of our receiving school districts, with regard to student achievement and Scholastic Aptitude Tests. Our main concern is the funding for tuition and transportation of resident students to receiving districts.

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

## **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, and when applicable, the special revenue 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 at year-end. There were no encumbrance payables at June 30, 2014.

## **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.

## **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.

## **DEBT ADMINISTRATION**

As a non-operating district, with no capital assets, the District has no general bond obligations or outstanding debt.

## **CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **RISK MANAGEMENT**

The Board carries Surety Bond coverage for the Treasurer of School Moneys and the Board Secretary, which conforms to the minimum required by the New Jersey Administrative Code.

## **OTHER INFORMATION**

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. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also 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.

## **ACKNOWLEDGMENTS**

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

Respectfully submitted,

*Judson Moore*

Judson Moore  
School Board Secretary

**BOROUGH OF WEST WILDWOOD BOARD OF EDUCATION  
COUNTY OF CAPE MAY, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2014**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
April Howard, President	2014
Lori Perloff	2015
John Greene	2016
James Perloff	2016
Robert Kilgore	2014
<b>Other Officials</b>	
Judson Moore, Board Secretary / Business Administrator	
Dorothy A. Tomlin, Administrative Assistant	

**BOROUGH OF WEST WILDWOOD BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ford, Scott & Associates, L.L.C.**  
Certified Public Accountants  
1535 Haven Avenue  
P.O. Box 538  
Ocean City, NJ 08226-0538

**ATTORNEY**

**Mark Toscano, Esquire**  
Comegno Law Group  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

**OFFICIAL DEPOSITORY**

**PNC Bank of New Jersey**  
P.O. Box 609  
Pittsburgh, PA 15230-9738

## **FINANCIAL SECTION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
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## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Borough of West Wildwood School District  
County of Cape May

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

We have audited the accompanying financial statements of the governmental activities, and the aggregate remaining fund information of the Board of Education of the West Wildwood Borough School District, in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the West Wildwood Borough School District, in the County of Cape May, State of New Jersey, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Wildwood Borough School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of and state financial assistance as required by NJ OMB 04-04 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of state financial assistance as required by NJ OMB 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014 on our consideration of the West Wildwood Borough 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 West Wildwood Borough School District's internal control over financial reporting and compliance.

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

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

November 7, 2014

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**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



**WEST WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED**

The discussion and analysis of the West Wildwood School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- In total, net position increased \$315,996.58, which represents an eighty two percent increase in total net position from 2013. Increase was due to an increase in cash because of a decrease in tuition amounts.
- General revenues accounted for \$1,309,274.46 in revenue or 100 percent of all revenues.
- Total assets of governmental activities increased by \$271,285.05.
- The School District had \$993,277.88 in expenses. General revenues (primarily taxes) of \$1,309,274.46.00 were adequate to provide for these expenses.
- The governmental funds, is the same as the District-Wide funds.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the West Wildwood School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Changes in Net Position provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of West Wildwood School District, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Changes in Net Position

While this document contains a number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**WEST WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole - Continued**

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

In the Statement of Net Position and the Statement of Changes in Net Position, the School District has only one kind of activity:

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

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

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District's governmental funds consist only of the General Fund.

Governmental Funds

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

**Notes to the Financial Statements**

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

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of financial transactions such as the net results of activities. Factors such as the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets are not relevant to the District as it is a non-operating district in that all students are sent to other, operating districts.

**WEST WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**The School District as a Whole - Continued**

Table 1 provides a summary of the School District's net position for 2014 and 2013.

**Table 1  
Net Position**

	2014	2013
<b>Assets</b>		
Current and Other Assets	\$ 716,950.31	\$ 445,665.26
Total Assets	<u>716,950.31</u>	<u>445,665.26</u>
<b>Liabilities</b>		
Accounts Payable	13,979.50	58,735.75
Other Liabilities	805.48	760.75
Total Liabilities	<u>14,784.98</u>	<u>59,496.50</u>
<b>Net Position</b>		
Restricted	452,165.33	136,168.75
Unrestricted	250,000.00	250,000.00
Total Net Position	<u>\$ 702,165.33</u>	<u>\$ 386,168.75</u>

The District's combined net position was \$702,165.33 on June 30, 2014. This was an increase of approximately 82 percent from the prior year.

Table 2 shows changes in net position for fiscal year 2014 and 2013.

**Table 2  
Changes in Net Position**

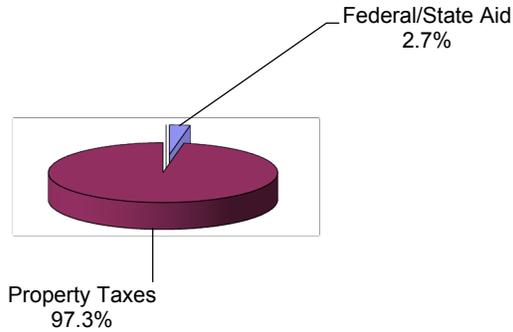
	2014	2013
<b>Revenues</b>		
General Revenues:		
Property Taxes	\$ 1,271,085.00	\$ 1,273,189.00
Grants and Entitlements	38,136.00	35,641.00
Other	53.46	36.09
Total Revenues	<u>1,309,274.46</u>	<u>1,308,866.09</u>
<b>Program Expenses</b>		
Support Services:		
Tuition	921,382.86	1,091,327.84
General and School Administration, and Business and Other Support Services	19,959.32	20,089.64
Pupil Transportation	45,825.70	15,515.98
Plant Operation and Maintenance	6,110.00	5,709.00
Total Expenses	<u>993,277.88</u>	<u>1,132,642.46</u>
Increase/(Decrease) in Net Position	<u>\$ 315,996.58</u>	<u>\$ 176,223.63</u>

**WEST WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**Governmental Activities**

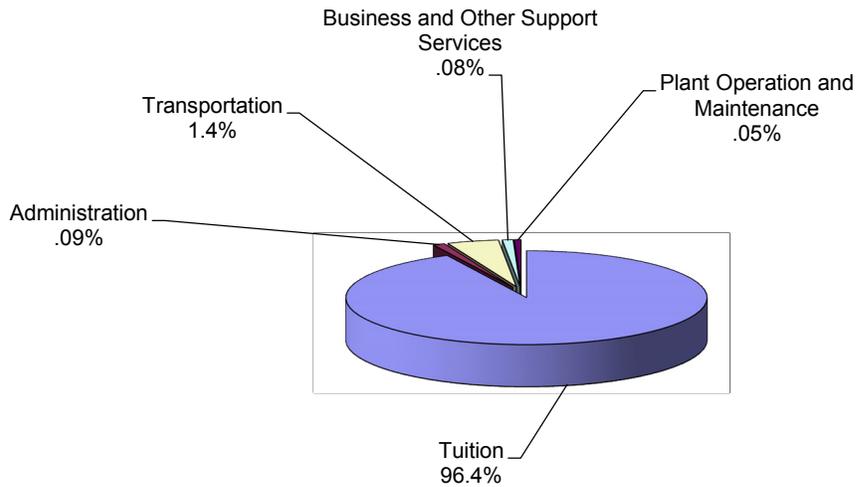
Property taxes made up 97 percent of revenues for governmental activities for the West Wildwood School District for fiscal year 2014.

**Sources of Revenue for 2014**



The total cost of all programs and services was \$993,277.88. Tuition comprises 96 percent of District expenses.

**Expenses for 2014**



**WEST WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>
Support Services:				
Tuition	\$ 921,382.86	\$ 921,382.86	\$ 1,091,327.84	\$ 1,091,327.84
General Administration, Business, and Support Services	19,959.32	19,959.32	20,089.64	20,089.64
Plant Operation & Maintenance	6,110.00	6,110.00	5,709.00	5,709.00
Pupil Transportation	45,825.70	45,825.70	15,515.98	15,515.98
Total Expenses	<u>\$ 993,277.88</u>	<u>\$ 993,277.88</u>	<u>\$ 1,132,642.46</u>	<u>\$ 1,132,642.46</u>

Tuition is predominately made up of charges to send students to North Wildwood School District for grades K-8 and Wildwood School District for grades 9-12.

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

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

**The School District's Funds**

All governmental funds (i.e., general fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$1,309,274.46 and expenditures were \$993,277.88. The net change in fund balance for the year for the General Fund was an increase of \$315,996.58.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 1,271,138.46	97.09%	\$ (2,086.54)	-0.16%
State Sources	38,136.00	2.91%	2,465.00	6.91%
Total	<u>\$ 1,309,274.46</u>	100.00%	<u>\$ 378.46</u>	0.03%

**WEST WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

Local revenues decreased by \$2,086.54. The decrease in local revenue was due to a decrease in the local tax levy.

**The School District's Funds - Continued**

The following schedule represents a summary of general fund expenditures for the fiscal year ended June 30, 2014, and the percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>Services 2014 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2013</b>	<b>Percent of Increase (Decrease)</b>
Current expense:				
Undistributed expenditures	\$ 993,277.88	100.00%	\$ (139,364.58)	-12.30%
Total	<u>\$ 993,277.88</u>	100.00%	<u>\$ (139,364.58)</u>	-12.30%

Changes in expenditures were the results tuition adjustments.

**General Fund Budgeting Highlights**

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

There are no modifications noted from the original adopted budget.

**Capital Assets**

At June 30, 2014, the School District did not have any capital assets.

**Debt Administration**

At June 30, 2014, the School District had no outstanding debt.

At June 30, 2014, the School District's overall legal debt margin was \$7,355,729. For more detailed information, please refer to the Notes to the Financial Statements.

**For the Future**

The West Wildwood School District is in good financial condition presently

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

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Judson Moore, School Board Secretary at Borough of West Wildwood, 701 West Glenwood Avenue, P.O. Box 644, West Wildwood, NJ 08260.

## **BASIC FINANCIAL STATEMENTS**



## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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



**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Statement of Net Position**  
**For the Year Ended June 30, 2014**

	Governmental Activities	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 716,950.31	716,950.31
Total Assets	716,950.31	716,950.31
<b>LIABILITIES</b>		
Accounts Payable	13,979.50	13,979.50
Payroll Withholdings Payable	805.48	805.48
Total Liabilities	14,784.98	14,784.98
<b>NET POSITION</b>		
Restricted	452,165.33	452,165.33
Unrestricted	250,000.00	250,000.00
Total Net Position	\$ 702,165.33	702,165.33

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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2014**

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Support Services:</b>							
Tuition	\$ 921,382.86	-	-	-	(921,382.86)	-	(921,382.86)
Attendance and Social Services	3,157.00				(3,157.00)		(3,157.00)
Other Administrative Services	7,235.86				(7,235.86)		(7,235.86)
Plant Operation and Maintenance	6,110.00				(6,110.00)		(6,110.00)
Pupil Transportation	45,825.70				(45,825.70)		(45,825.70)
Business and Other Support Services	9,566.46				(9,566.46)		(9,566.46)
<b>Total Governmental Activities</b>	<b>993,277.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(993,277.88)</b>	<b>-</b>	<b>(993,277.88)</b>
<b>Business-Type Activities:</b>							
None							
<b>Total Business-Type Activities</b>							
<b>Total Primary Government</b>					<b>(993,277.88)</b>		<b>(993,277.88)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, Net					\$ 1,271,085.00	-	1,271,085.00
Federal and State Aid not Restricted					38,136.00		38,136.00
Miscellaneous Income					53.46		53.46
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>1,309,274.46</b>	<b>-</b>	<b>1,309,274.46</b>
Change in Net Position					315,996.58		315,996.58
Net Position - Beginning					386,168.75		386,168.75
Net Position - Ending					<b>\$ 702,165.33</b>	<b>-</b>	<b>702,165.33</b>

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

## **FUND FINANCIAL STATEMENTS**

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



**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 716,950.31	716,950.31
Total Assets	<u>716,950.31</u>	<u>716,950.31</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	13,979.50	13,979.50
Payroll Withholdings Payable	805.48	805.48
Total Liabilities	<u>14,784.98</u>	<u>14,784.98</u>
Fund Balances:		
Restricted for:		
Excess Surplus - Designated for Subsequent year's expenditures	136,168.75	136,168.75
Excess Surplus Undesignated	315,996.58	315,996.58
Unassigned:		
General Fund	250,000.00	250,000.00
Total Fund Balances	<u>702,165.33</u>	<u>702,165.33</u>
Total Liabilities and Fund Balances	<u>\$ 716,950.31</u>	

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

No adjustments needed

\$ 702,165.33

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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	General Fund	Total Governmental Funds
<b>REVENUES</b>		
Local Sources:		
Local Tax Levy	\$ 1,271,085.00	1,271,085.00
Miscellaneous	53.46	53.46
Total Local Sources	<u>1,271,138.46</u>	<u>1,271,138.46</u>
State Sources	38,136.00	38,136.00
Total Revenues	<u>1,309,274.46</u>	<u>1,309,274.46</u>
<b>EXPENDITURES</b>		
Current:		
Support Services:		
Tuition	921,382.86	921,382.86
Attendance and Social Services	3,157.00	3,157.00
Other Administrative Services	7,235.86	7,235.86
Plant Operation and Maintenance	6,110.00	6,110.00
Pupil Transportation	45,825.70	45,825.70
Business and Other Support Serv.	8,843.00	8,843.00
Employee Benefits	723.46	723.46
Total Expenditures	<u>993,277.88</u>	<u>993,277.88</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>315,996.58</u>	<u>315,996.58</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
None		-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	315,996.58	315,996.58
Fund Balance - July 1	386,168.75	386,168.75
Fund Balance - June 30	<u>\$ 702,165.33</u>	<u>702,165.33</u>

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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2014**

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$ 315,996.58
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

No adjustments required

Change in Net Assets of Governmental Activities	<u>\$ 315,996.58</u>
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The accompanying Notes to Financial Statements are an integral part of this statement

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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

The Borough of West 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 business administrator 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 Borough of West 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 Borough of West 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 purpose of the district is to educate students in grades K – 12.

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 activities are classified as governmental activities.

In the governmental-wide Statement of Net Position, both the governmental 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 position 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. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (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.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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

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

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.

**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 the governmental categories. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The 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.

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.

**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.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**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.

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 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 as a reserve to pay future debt service or transferred to the general fund.

**3. 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:

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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.

**4. 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 based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**5. Expenditures:**

Expenses are recognized when the related fund liability is incurred.

**6. 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 funds are netted as part of the reconciliation to the government-wide financial statements.

**7. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. No material transfers were made during the fiscal year.

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

**8. Encumbrances:**

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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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

**9. Tuition Payable**

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

**10. 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.

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

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, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the District's financial reporting.

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 April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the District's financial reporting.

In November 2013, 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. The impact of this statement on the net position of the entity is not presently determinable.

**NOTE 2 – INVESTMENTS**

As of June 30, 2014, the district had no investments. However if the District had investments it would be subject to the following risks.

**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.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**NOTE 3 – CASH**

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The 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, \$0 of the government's bank balance of \$716,950.31 was exposed to custodial credit risk.

**NOTE 4 – 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\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

*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.

*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 6.5% and the PERS rate is 6.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2014, 2013 and 2012 were \$0, \$0 and \$0 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 \$0, \$0, and \$300 respectively, equal to the required contributions for each year.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

During the fiscal years ended June 30, 2014, 2013 and 2012, the State of New Jersey contributed \$0, \$0, and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0, and \$0 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

**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 Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

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

- New members of the PFRS 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 PFRS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PFRS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PFRS members will take place 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 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 compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, 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 to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS 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 will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

retirement system in place at the time 5 years of pension service credit is attained. The law also required the State to make its full pension contribution, defined at 1/7<sup>th</sup> of the required amount, beginning in fiscal year 2012.

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

Chapter 93, P.L. 2008 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 charges, 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 5 – POST RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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 the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c. 62. Funding of post-retirement medical premiums changed from a prefunding 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**NOTE 6 – FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$702,165.33 General Fund balance at June 30, 2014, \$0 is reserved for encumbrances; \$136,168.75 is restricted as designated for subsequent years expenditures and \$315,996.58 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$0 of the total restricted for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2015); \$136,168.75 has been legally restricted and included as anticipated revenue for the year ended June 30, 2015; and \$250,000.00 is unassigned.

**NOTE 7 – 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 \$452,165.33 of which \$136,168.75 has been appropriated and included as anticipated revenue for the year ending June 30, 2015.

**NOTE 8 – 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. During the fiscal year ended June 30, 2014, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

Property and Liability Insurance – The district maintains commercial insurance coverage for property and liability insurance. As a non-operating district, the only assets for coverage purposes are those in the office of the Board Secretary.

**NOTE 9 – 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 10 – SUBSEQUENT EVENTS**

The District has evaluated events through November 7, 2014, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



**BUDGETARY COMPARISON SCHEDULES**



**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,271,085.00	-	1,271,085.00	1,271,085.00	-
Miscellaneous	225.00		225.00	53.46	(171.54)
Total Local Sources	<u>1,271,310.00</u>	<u>-</u>	<u>1,271,310.00</u>	<u>1,271,138.46</u>	<u>(171.54)</u>
State Sources:					
Categorical Special Education Aid	33,757.00		33,757.00	33,757.00	-
Categorical Transportation Aid	1,801.00		1,801.00	1,801.00	-
Categorical Security Aid	2,578.00		2,578.00	2,578.00	-
Total State Sources	<u>38,136.00</u>	<u>-</u>	<u>38,136.00</u>	<u>38,136.00</u>	<u>-</u>
Total Revenues	<u>1,309,446.00</u>	<u>-</u>	<u>1,309,446.00</u>	<u>1,309,274.46</u>	<u>(171.54)</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Reg	921,365.00		921,365.00	777,833.60	143,531.40
Tuition to Other LEAs Within the State-Spec	76,250.00		76,250.00	10,800.00	65,450.00
Tuition to County Voc. School Dist.-Reg.	26,518.00		26,518.00	13,548.60	12,969.40
Tuition to CSSD & Regional Day Schools	185,113.00		185,113.00	119,200.66	65,912.34
Total Undistributed Expenditures - Instruction	<u>1,209,246.00</u>	<u>-</u>	<u>1,209,246.00</u>	<u>921,382.86</u>	<u>287,863.14</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	1,000.00		1,000.00	-	1,000.00
Legal Services	5,000.00		5,000.00	-	5,000.00
Audit Fees	4,500.00		4,500.00	4,200.00	300.00
Communications/Telephone	-		-	-	-
Miscellaneous Purchased Services	2,000.00		2,000.00	174.95	1,825.05
General Supplies	2,000.00		2,000.00	923.26	1,076.74
Miscellaneous Expenditures	1,500.00		1,500.00	1,000.00	500.00
BOE Member Dues/ Fees	3,000.00		3,000.00	937.65	2,062.35
Total Undistributed Expenditures - Support Services - General Administration	<u>19,000.00</u>	<u>-</u>	<u>19,000.00</u>	<u>7,235.86</u>	<u>11,764.14</u>
Undist. Expend. - Supp. Serv. - Attendance & Social Work					
Salaries	3,157.00		3,157.00	3,157.00	-
Total Undistributed Expenditures - Support Total Undistributed Expenditures - Attendance & Social Work	<u>3,157.00</u>	<u>-</u>	<u>3,157.00</u>	<u>3,157.00</u>	<u>-</u>
Undist. Expend. - Other Oper. & Maint.of Plant					
Insurance	8,000.00		8,000.00	6,110.00	1,890.00
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	<u>8,000.00</u>	<u>-</u>	<u>8,000.00</u>	<u>6,110.00</u>	<u>1,890.00</u>
Undist. Expend. - Student Transportation Serv.					
Contr. Serv.Trans. (Reg Students) - ESC's & CTSAs	60,000.00		60,000.00	45,825.70	14,174.30
Total Undistributed Expenditures - Student Transportation Services	<u>60,000.00</u>	<u>-</u>	<u>60,000.00</u>	<u>45,825.70</u>	<u>14,174.30</u>

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Other Support Services					
Salaries	8,843.00	-	8,843.00	8,843.00	-
Total Undistributed Expenditures					
Other Support Services	8,843.00	-	8,843.00	8,843.00	-
Unallocated Benefits					
Social Security Contribution	1,200.00		1,200.00	723.46	476.54
Unemployment Compensation	-		-		-
Total Unallocated Benefits	1,200.00	-	1,200.00	723.46	476.54
Total Personal Services - Employee Benefits	1,200.00	-	1,200.00	723.46	476.54
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>1,309,446.00</b>	<b>-</b>	<b>1,309,446.00</b>	<b>993,277.88</b>	<b>316,168.12</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>1,309,446.00</b>	<b>-</b>	<b>1,309,446.00</b>	<b>993,277.88</b>	<b>316,168.12</b>
Transfer of Funds to Charter Schools	-		-		-
<b>TOTAL EXPENDITURES</b>	<b>1,309,446.00</b>	<b>-</b>	<b>1,309,446.00</b>	<b>993,277.88</b>	<b>316,168.12</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,996.58</b>	<b>315,996.58</b>
Fund Balance July 1	209,915.12	-	209,915.12	386,168.75	176,253.63
Fund Balance June 30	<u>\$ 209,915.12</u>	<u>-</u>	<u>209,915.12</u>	<u>702,165.33</u>	<u>492,250.21</u>
Recapitulation:					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 136,168.75	
Reserve for Excess Surplus				315,996.58	
Unassigned Fund Balance				250,000.00	
				<u>702,165.33</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP basis				-	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 702,165.33</u>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**



**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2014**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 1,309,274.46
Difference - budget to GAAP:		
Final State Aid Payment that was delayed until July 2013		
Final Two State Aid payments for the Year Ended June 30, 2014 that was delayed until July 2014 was recorded as budgetary revenue for the Year Ended June 30, 2014 but is not recognized under GAAP until the Year Ended June 30, 2015.		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	1,309,274.46
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	993,277.88
Difference - budget to GAAP:		
None		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 993,277.88

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**STATISTICAL SECTION**



**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	30,000.00	80,000.00	30,000.00	241,920.12	372,426.99	335,667.17	187,563.34	209,915.12	136,168.75	452,165.33
Unrestricted	85,968.15	95,890.92	84,109.97	241,920.12	372,426.99	335,667.17	187,563.34	209,915.12	250,000.00	250,000.00
<b>Total governmental activities net assets</b>	<b>\$ 115,968.15</b>	<b>\$ 175,890.92</b>	<b>\$ 114,109.97</b>	<b>\$ 241,920.12</b>	<b>\$ 372,426.99</b>	<b>\$ 335,667.17</b>	<b>\$ 187,563.34</b>	<b>\$ 209,915.12</b>	<b>\$ 386,168.75</b>	<b>\$ 702,165.33</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities net position</b>	<b>\$ -</b>									
<b>District-wide</b>										
Net investment in capital assets	\$ 30,000.00	\$ 80,000.00	\$ 30,000.00	\$ 241,920.12	\$ 372,426.99	\$ 335,667.17	\$ 187,563.34	\$ 209,915.12	\$ 136,168.75	\$ 452,165.33
Restricted	85,968.15	95,890.92	84,109.97	241,920.12	372,426.99	335,667.17	187,563.34	209,915.12	250,000.00	250,000.00
Unrestricted	\$ 115,968.15	\$ 175,890.92	\$ 114,109.97	\$ 241,920.12	\$ 372,426.99	\$ 335,667.17	\$ 187,563.34	\$ 209,915.12	\$ 386,168.75	\$ 702,165.33
<b>Total district net position</b>	<b>\$ 115,968.15</b>	<b>\$ 175,890.92</b>	<b>\$ 114,109.97</b>	<b>\$ 241,920.12</b>	<b>\$ 372,426.99</b>	<b>\$ 335,667.17</b>	<b>\$ 187,563.34</b>	<b>\$ 209,915.12</b>	<b>\$ 386,168.75</b>	<b>\$ 702,165.33</b>

Source: CAFR Schedule A-1

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
Support Services:										
Tuition	\$ 942,398.70	\$ 1,045,805.00	\$ 1,158,174.00	\$ 946,832.50	\$ 995,914.75	\$ 1,203,968.00	\$ 1,522,897.00	\$ 1,364,594.00	\$ 1,091,327.84	\$ 921,382.86
Student & instruction related services	80.00								3,330.00	3,157.00
Attendance and Social Services	7,224.67	7,855.18	7,944.48	8,523.83	8,845.13	7,648.68	15,077.77	8,672.71	7,177.39	7,235.86
General administrative services		478.14								
School administrative services	6,832.18	7,178.80	7,517.18	7,813.84	8,225.13	8,549.18	8,784.40	9,252.19	9,582.25	9,566.46
Business administrative services		5,077.00	4,868.00	4,920.00	5,036.00	6,000.00	5,786.00	5,718.00	5,709.00	6,110.00
Plant operations and maintenance	9,328.86	11,258.10	27,723.60	19,325.44	16,938.38	28,046.84	20,718.99	21,582.31	15,515.98	45,825.70
Pupil transportation		9,220.00	9,557.00	9,939.00						
Charter Schools										
Total governmental activities expenses	965,864.41	1,086,872.22	1,215,784.26	997,354.61	1,034,959.39	1,254,212.70	1,573,264.16	1,409,819.21	1,132,642.46	983,277.88
Total district expenses	\$ 965,864.41	\$ 1,086,872.22	\$ 1,215,784.26	\$ 997,354.61	\$ 1,034,959.39	\$ 1,254,212.70	\$ 1,573,264.16	\$ 1,409,819.21	\$ 1,132,642.46	\$ 983,277.88
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (965,864.41)	\$ (1,086,872.22)	\$ (1,215,784.26)	\$ (997,354.61)	\$ (1,034,959.39)	\$ (1,254,212.70)	\$ (1,573,264.16)	\$ (1,409,819.21)	\$ (1,132,642.46)	\$ (983,277.88)
Total district-wide net expense	\$ (965,864.41)	\$ (1,086,872.22)	\$ (1,215,784.26)	\$ (997,354.61)	\$ (1,034,959.39)	\$ (1,254,212.70)	\$ (1,573,264.16)	\$ (1,409,819.21)	\$ (1,132,642.46)	\$ (983,277.88)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 940,663.00	\$ 1,073,898.00	\$ 1,083,804.00	\$ 1,047,341.00	\$ 1,086,035.00	\$ 1,129,476.00	\$ 1,396,090.00	\$ 1,394,011.00	\$ 1,273,189.00	\$ 1,271,085.00
Unrestricted grants and contributions	70,396.00	72,621.00	69,908.00	71,567.00	72,676.00	70,352.00	28,922.00	32,631.00	35,671.00	38,136.00
Miscellaneous income	309.40	275.99	291.31	6,256.76	6,755.26	17,624.88	148.33	5,528.99	36.09	53.46
Transfers										
Total governmental activities	1,011,368.40	1,146,794.99	1,154,003.31	1,125,164.76	1,165,466.26	1,217,452.88	1,425,160.33	1,432,170.99	1,308,896.09	1,309,274.46
Total district-wide	\$ 1,011,368.40	\$ 1,146,794.99	\$ 1,154,003.31	\$ 1,125,164.76	\$ 1,165,466.26	\$ 1,217,452.88	\$ 1,425,160.33	\$ 1,432,170.99	\$ 1,308,896.09	\$ 1,309,274.46
Changes in Net Position	\$ 45,503.99	\$ 59,922.77	\$ (61,780.95)	\$ 127,810.15	\$ 130,506.87	\$ (36,759.82)	\$ (148,103.83)	\$ 22,351.78	\$ 176,253.63	\$ 315,996.58
Governmental activities	\$ 45,503.99	\$ 59,922.77	\$ (61,780.95)	\$ 127,810.15	\$ 130,506.87	\$ (36,759.82)	\$ (148,103.83)	\$ 22,351.78	\$ 176,253.63	\$ 315,996.58
Total district	\$ 45,503.99	\$ 59,922.77	\$ (61,780.95)	\$ 127,810.15	\$ 130,506.87	\$ (36,759.82)	\$ (148,103.83)	\$ 22,351.78	\$ 176,253.63	\$ 315,996.58

Source: CAFR Schedule A-2

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,168.75	\$ 452,165.33
Committed										
Assigned							55,503.00			
Unassigned	30,000.00	80,000.00	30,000.00	-	-	-	132,060.34	209,915.12	250,000.00	250,000.00
Reserved	85,968.15	95,890.92	84,109.97	241,920.12	372,426.99	335,667.17	-			
Unreserved										
Total general fund	\$ 115,968.15	\$ 175,890.92	\$ 114,109.97	\$ 241,920.12	\$ 372,426.99	\$ 335,667.17	\$ 187,563.34	\$ 209,915.12	\$ 386,168.75	\$ 702,165.33

As a result of GASB standards, the classification of fund balance was modified effective in fiscal year 2011

Source: CAFR Schedule B-1

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax Levy	\$ 940,683.00	\$ 1,073,898.00	\$ 1,083,804.00	\$ 1,047,341.00	\$ 1,086,035.00	\$ 1,129,476.00	\$ 1,396,890.00	\$ 1,394,011.00	\$ 1,273,189.00	\$ 1,271,085.00
Miscellaneous	309.40	275.99	291.31	6,256.76	6,755.26	17,624.88	146.33	5,528.99	36.09	53.46
Federal Sources	-	-	-	-	-	-	22,720.00	76.00	-	-
State sources	70,396.00	72,621.00	69,908.00	71,567.00	72,676.00	70,352.00	6,202.00	32,555.00	35,671.00	38,136.00
<b>Total revenue</b>	<b>1,011,388.40</b>	<b>1,146,794.99</b>	<b>1,154,003.31</b>	<b>1,125,164.76</b>	<b>1,165,466.26</b>	<b>1,217,452.88</b>	<b>1,425,160.33</b>	<b>1,432,170.99</b>	<b>1,308,896.09</b>	<b>1,309,274.46</b>
<b>Expenditures</b>										
Instruction:										
Regular instruction										
Support Services:										
Tuition	942,398.70	1,045,805.00	1,158,174.00	946,832.50	995,914.75	1,203,968.00	1,522,897.00	1,364,594.00	1,091,327.84	921,382.86
Student & instruction related services	80.00	-	-	-	-	-	-	-	-	-
Attendance and Social Services	-	-	-	-	-	-	-	-	-	-
General administrative services	7,224.67	7,855.18	7,944.48	8,523.83	8,845.13	7,648.88	15,077.77	8,672.71	3,330.00	3,157.00
School administrative services	-	478.14	-	-	-	-	-	-	7,177.39	7,235.86
Business administrative services	6,300.00	6,615.00	6,950.00	7,228.00	7,600.00	7,904.00	8,100.00	8,500.00	8,670.00	8,843.00
Plant operations and maintenance	9,328.86	5,077.00	4,868.00	4,920.00	5,036.00	6,000.00	5,786.00	5,718.00	5,709.00	6,110.00
Pupil transportation	532.18	11,258.10	27,723.60	18,325.44	16,838.38	28,046.84	20,718.99	21,582.31	15,516.98	45,825.70
Unallocated employee benefits	-	563.80	567.18	585.84	625.13	645.18	684.40	752.19	912.25	723.46
Charter Schools	-	9,220.00	9,557.00	9,939.00	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>965,864.41</b>	<b>1,086,872.22</b>	<b>1,215,784.26</b>	<b>997,354.61</b>	<b>1,034,959.39</b>	<b>1,254,212.70</b>	<b>1,573,264.16</b>	<b>1,409,819.21</b>	<b>1,132,642.46</b>	<b>993,277.88</b>
Excess (Deficiency) of revenues over (under) expenditures	45,503.99	59,922.77	(61,780.95)	127,810.15	130,506.87	(36,759.82)	(148,103.83)	22,351.78	176,253.63	315,986.58
<b>Other Financing Sources (Uses)</b>										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 45,503.99	\$ 59,922.77	\$ (61,780.95)	\$ 127,810.15	\$ 130,506.87	\$ (36,759.82)	\$ (148,103.83)	\$ 22,351.78	\$ 176,253.63	\$ 315,986.58
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2

**Exhibit J-5**

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT  
 General Fund Other Local Revenue by Source,  
 Last Ten Fiscal Years  
 Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Miscellaneous</u>	<u>Totals</u>
2005	163.40		146.00	309.40
2006	275.99			275.99
2007	291.31			291.31
2008	341.86		5,914.90	6,256.76
2009	622.88		6,132.38	6,755.26
2010	589.23	5,910.00	11,125.65	17,624.88
2011	148.33			148.33
2012	97.99			97.99
2013	36.09			36.09
2014	53.46		5,431.00	5,528.99
				36.09
				53.46

Source: District Records

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2005	30,690,600	162,260,600	-	-	6,567,500	-	1,976,100	201,494,800	-	76,729	201,571,529	0.502	177,184,779
2006	28,072,700	170,718,500	-	-	5,943,900	-	1,635,200	206,370,300	-	61,207	206,431,507	0.522	232,022,037
2007	26,530,900	181,606,000	-	-	5,943,900	-	1,008,500	215,089,300	-	53,552	215,142,852	0.497	290,469,051
2008	25,796,200	186,913,300	-	-	5,943,900	-	1,008,500	219,661,900	-	57,224	219,719,124	0.487	311,336,211
2009	29,491,600	233,252,300	-	-	10,157,900	-	532,700	273,434,500	-	107,544	273,542,044	0.405	323,643,279
2010	26,392,000	227,101,900	-	-	9,145,000	-	532,700	263,171,600	-	129,375	263,300,975	0.480	266,164,762
2011	24,542,100	221,230,700	-	-	9,036,000	-	532,700	255,341,500	-	105,068	255,446,568	0.547	255,446,568
2012	24,991,800	220,465,800	-	-	9,036,000	-	532,700	255,026,300	-	106,139	255,132,439	0.480	255,132,439
2013	23,772,500	219,528,500	-	-	9,036,000	-	532,700	252,869,700	-	106,139	252,975,839	0.480	239,070,026
2014	24,615,800	217,471,100	-	-	9,120,900	-	532,700	251,740,500	-	106,139	251,846,639	0.516	239,951,432

Source: Extended Tax Duplicate & Municipal Tax Assessor

**Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Year Ended Dec. 31,	BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Library	Other		Municipal Local Purpose
2005	0.502		0.502	0.180	0.009	0.027		0.672	1.390
2006	0.522		0.522	0.189	0.013	0.034		0.682	1.440
2007	0.497		0.497	0.205	0.014	0.040		0.684	1.440
2008	0.487		0.487	0.214	0.015	0.041		0.695	1.452
2009	0.405		0.405	0.191	0.012	0.035		0.528	1.171
2010	0.480		0.480	0.172	0.010	0.029		0.528	1.219
2011	0.547		0.547	0.190	0.011	0.031		0.536	1.315
2012	0.547		0.547	0.192	0.010	0.029		0.551	1.329
2013	0.480		0.480	0.194	0.010	0.028		0.566	1.278
2014	0.516		0.516	0.200	0.010	0.028		0.605	1.359

Source: District Records and Municipal Tax Collector

Exhibit J-8

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Bridgeport Family Marina LLC	\$ 1,856,400	1	0.74%			
Taxpayer #1	1,735,500	2	0.69%	\$ 874,400	8	0.43%
C-Lyn, LLC	1,562,600	3	0.62%			
Vin, LLC	1,141,400	4	0.45%			
Taxpayer #2	1,027,400	5	0.41%			
Taxpayer #3	992,100	6	0.39%	643,100	10	0.32%
Taxpayer #4	937,900	7	0.37%			
Taxpayer #5	914,200	8	0.36%			
Taxpayer #6	913,600	9	0.36%			
Taxpayer #7	908,400	10	0.36%			
West Wildwood Developers				2,665,700	1	1.32%
Taxpayer #8				2,155,800	2	1.07%
JWJB, Inc.				1,699,800	3	0.84%
Taxpayer #9				1,648,800	4	0.82%
Taxpayer #10				1,323,600	5	0.66%
Wildwood Bayfront D Corp				942,400	6	0.47%
Apex Custom Homes				882,100	7	0.44%
Del Star Properties				753,500	9	0.37%
<b>Totals</b>	<b>\$ 11,989,500</b>		<b>4.76%</b>	<b>\$ 13,589,200</b>		<b>6.74%</b>
	District Assessed Value		\$ 251,846,639			\$ 201,571,529

Source: District CAFR & Municipal Tax Assessor

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	940,663.00	940,663.00	100%	-
2006	1,073,898.00	1,073,898.00	100%	-
2007	1,083,804.00	1,083,804.00	100%	-
2008	1,047,341.00	1,047,341.00	100%	-
2009	1,086,035.00	1,086,035.00	100%	-
2010	1,129,476.00	1,129,476.00	100%	-
2011	1,396,090.00	1,396,090.00	100%	-
2012	1,394,011.00	1,394,011.00	100%	-
2013	1,273,189.00	1,273,189.00	100%	-
2014	1,271,085.00	1,271,085.00	100%	-

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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt,**  
**As of December 31, 2013**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Local Municipality	\$ 3,224,887.00	100.00%	\$ 3,224,887.00
<b>Other Debt</b>			
County of Cape May	176,957,999.00	0.51%	896,469.22
Subtotal, Overlapping Debt			4,121,356.22
<b>West Wildwood School District Direct Debt</b>			-
<b>Total Direct and Overlapping Debt</b>			<u>\$ 4,121,356.22</u>

Sources: Borough of West Wildwood 2013 Annual Debt Statement, County of Cape May

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

**Exhibit J-13**

Equalized valuation basis	
2013	\$ 240,759,497
2012	\$ 240,818,036
2011	\$ 253,995,325
	<u>\$ 735,572,858</u>
Average equalized valuation of taxable property	\$ 245,190,953
Debt limit ( 3% of average)	7,355,729
Net bonded school debt	-
Legal debt margin	<u>\$ 7,355,729</u>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Debt limit	\$ 3,755,769	\$ 5,155,268	\$ 6,859,290	\$ 8,097,130	\$ 9,039,259	\$ 9,011,433	\$ 8,706,989	\$ 8,182,166	\$ 7,688,363	\$ 7,355,729	
Total net debt applicable to limit											
Legal debt margin	\$ 3,755,769	\$ 5,155,268	\$ 6,859,290	\$ 8,097,130	\$ 9,039,259	\$ 9,011,433	\$ 8,706,989	\$ 8,182,166	\$ 7,688,363	\$ 7,355,729	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District Records CAFR Schedule J-7

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended December 31,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>** Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2005	417	15,595	37,397	10.0%
2006	412	16,483	40,007	10.0%
2007	410	17,108	41,727	10.1%
2008	409	17,805	43,532	12.3%
2009	405	18,498	45,674	17.2%
2010	405	19,196	47,398	18.0%
2011	603	28,822	47,798	*
2012	599	29,104	48,588	18.7%
2013	592	30,011	50,695	20.0%
2014	587	30,686	52,276	23.6%

\* Accurate information is not available

\*\* Information presented for Cape May County, not just the Borough of West Wildwood

Sources:

U.S. Department of Commerce, Bureau of Economic Analysis,  
 Regional Economic Information System; New Jersey Department of Labor,  
 Bureau of Labor Force Statistics; U.S. Bureau of Census, Population Division

**Exhibit J-15**

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT  
Principal Employers,  
Current Year and Nine Years Ago**

Employer	2014				2005			
	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment	
Borough of West Wildwood	**	**	**	**	**	**	**	**
26th Street Marina	**	**	**	**	**	**	**	**
VIN, LLC	**	**	**	**	**	**	**	**
Spray Dock	**	**	**	**	**	**	**	**
Bridgeport Marina	**	**	**	**	**	**	**	**
Westside Saloon	**	**	**	**	**	**	**	**
Totals	-		0.00%		-		0.00%	

\*\* - Data not available.  
Source: Municipal Clerk

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction:										
Regular instruction										
Special education instruction										
Other special education instruction										
Vocational education										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Tuition										
Student & instruction related services	1	1								
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services										
Business administrative services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance										
Pupil transportation										
Special schools										
Food Service										
Child Care										
<b>Total</b>	<b>3</b>	<b>3</b>	<b>2</b>							

Source: District Personnel Records

**Exhibit J-20**

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**

**Insurance Schedule**

**For the Fiscal Year Ended June 30, 2014**

*(Unaudited)*

Company	Type of Coverage	Amount of Coverage	Deductible
NIA National Group Insurance	School Package Policy General Liability	\$ -	N/A
	Automobile Liability	-	N/A
	School Boards Legal Liability Coverage A	-	\$5,000 / claim
	Coverage B (limit \$300,000 / policy period)	-	\$5,000 / claim
	Worker's Compensation	-	N/A
	Surety Bonds:		
	Board Secretary	-	N/A
	Treasurer of School Monies	-	N/A

Source: District Records

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**SINGLE AUDIT SECTION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the basic financial statements of the West Wildwood Board of Education, County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated November 7, 2014. 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 presented by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered West 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 West 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 West Wildwood School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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.

### **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.

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

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

November 7, 2014

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2014**

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years Balances	Balance at June 30, 2014			MEMO	
				Deferred Revenue (Acct's Receivable)	Due to Grantor	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor		Budgetary Receivable
<b>State Department of Education</b>														
General Fund:														
State Aid Public Cluster:														
Special Education Aid	13-495-034-5120-089	7/1/2013 - 6/30/2014	33,757.00	\$			33,757.00	(33,757.00)						
Security Aid	13-495-034-5120-084	7/1/2013 - 6/30/2014	2,578.00				2,578.00	(2,578.00)						
Total State Aid Public Cluster			1,801.00				36,335.00	(36,335.00)						
Transportation Aid	13-495-034-5120-014	7/1/2013 - 6/30/2014	1,801.00				1,801.00	(1,801.00)						
Total General Fund							38,136.00	(38,136.00)						
<b>Total State Financial Assistance</b>							<b>38,136.00</b>	<b>(38,136.00)</b>						

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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2014**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Education, West 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 enterprise funds, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(B) 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S. 18A:22-4.2*. For GAAP purposes that payment is not recognized until the subsequent year due to the state deferral and recording of the last two 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 recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last two state aid payments in the current budget year, consistent with *N.J.S. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$0 for the general fund and \$0 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ -	\$ 38,136.00	\$ 38,136.00
	\$ -	\$ 38,136.00	\$ 38,136.00

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**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.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

2) Significant Deficiencies identified? \_\_\_\_\_ Yes      X   No

Non-compliance material to basic financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards N/A**

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ Yes    \_\_\_\_\_ No

2) Significant Deficiencies identified? \_\_\_\_\_ Yes    \_\_\_\_\_ No

Type of auditor's report issued on compliance for major programs:  
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ Yes    \_\_\_\_\_ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes    \_\_\_\_\_ No

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

***Section I - Summary of Auditor's Results (Continued)***

**State Awards**                      **N/A**

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

Auditee qualified as low-risk auditee?                      \_\_\_\_\_ Yes                      \_\_\_\_\_ No

Type of auditor's report issued on compliance for major programs:                      N/A

Internal Control over major programs:

1) Material weakness(es) identified?                      \_\_\_\_\_ Yes                      \_\_\_\_\_ No

2) Significant Deficiencies identified?                      \_\_\_\_\_ Yes                      \_\_\_\_\_ none reported

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

Identification of major programs:

GMIS Number(s)

Name of State Program

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

***Section II - Financial Statement Findings***

**NONE**

***Section III - Federal Awards and State Financial Assistance Statement Findings and Questioned Costs***

**STATE AWARDS:**

**NONE**

**FEDERAL AWARDS:**

**NONE**

**STATUS OF PRIOR YEAR FINDINGS**

**NONE**