

SCHOOL DISTRICT
OF
CITY OF NORTH WILDWOOD

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Comprehensive Annual Financial Report

of the

City of North Wildwood Board of Education

North Wildwood, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

City of North Wildwood Board of Education

Finance Department

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North Wildwood Board Of Education

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

November 18, 2016

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

Dear Board Members:

The Comprehensive Annual Financial Report of the City of North Wildwood Board of Education for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes Management's Discussion and Analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The City of North Wildwood Board of Education is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds of the District are included in this report. The City of North Wildwood Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K - 8. These include regular, vocational as well as special education for handicapped students. The District completed the 2015-2016 fiscal year with an average enrollment of 254 students, which is 29 students less than the previous year's enrollment.

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

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

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a

line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2016.

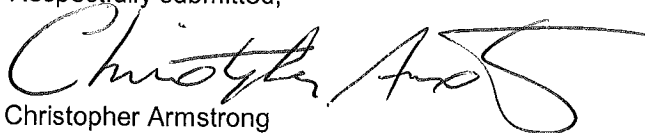
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.
7. **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.
8. **DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues included \$545,000.00 of general refunded bonds. The proceeds of this issue were to provide funds for the construction and renovation of the Margaret Mace School.
9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1980 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. **RISK MANAGEMENT:** North Wildwood Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
11. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and related Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. **ACKNOWLEDGMENTS:**

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

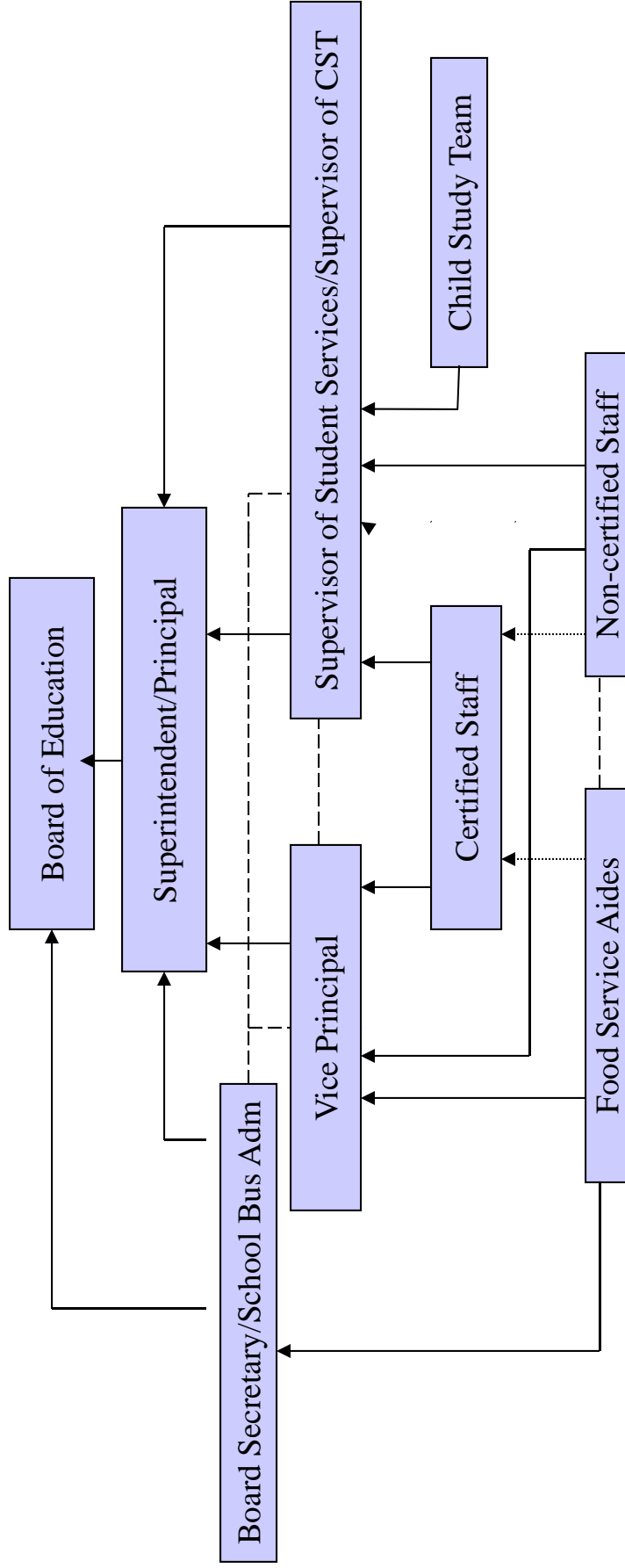
Respectfully submitted,


Christopher Armstrong
Superintendent


John J. Hansen
Board Secretary/Business Administrator

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Organizational Chart North Wildwood School District



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

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

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

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

Revised 7/06

CITY OF NORTH WILDWOOD BOARD OF EDUCATION

NORTH WILDWOOD, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Burns, President	2017
Gerald Flanagan, Vice President	2016
Michael Brown, Sr.	2017
Ronald Golden	2016
David MacDonald	2016
Scott McCracken	2017
Victoria Rozanski	2018
Laura Stefankiewicz	2018
Via Zampirri	2018
James Perlof, West Wildwood Representative	2016

Other Officials

Christopher Armstrong, Superintendent

John Hansen, Business Administrator/Board Secretary

Todd Burkey, Treasurer

Robert T. Belasco, Solicitor

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

Audit Firm

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

Attorney

Robert T. Belasco
Stefankiewicz & Barnes, LLC
111 East 17th Street, Suite 100
North Wildwood, NJ 08260

Official Depositories

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

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

PNC Bank
1300 New Jersey Avenue
North Wildwood, NJ 08260

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Financial Section

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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
City of North Wildwood School District
County of Cape May, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Wildwood School District, City of North Wildwood, New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Wildwood School District, City of North Wildwood, New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Wildwood School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the schedule of state financial assistance as required by *NJ OMB 15-08*, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the schedule of state financial assistance as required by *NJ OMB 15-08*, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the schedule of state financial assistance as required by *NJ OMB 15-08*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016 on our consideration of the City of North Wildwood School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of North Wildwood School District's internal control over financial reporting and compliance.

Very truly yours,

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

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

November 18, 2016

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**Required Supplemental Information
Part I**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of North Wildwood School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year as a result of an excess of revenues over expenditures.
- The State of New Jersey reimbursed the District \$255,108.07 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Also the State paid \$579,238.00 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of \$250,000.00 or 2% of the total general fund expenditures. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2016 the District had excess surplus in the amount of \$1,265,466.09 of which \$563,913.00 has been appropriated and included as anticipated revenue in the 2017 fiscal year budget. This is compared to the prior year excess surplus of \$1,028,428.00, of which \$519,173.00 was budgeted in the 2016 fiscal year budget.
- During the fiscal year ended June 30, 2016, the District's governmental fund revenue realized were \$43,075.23 more than total expenditures. This increase can be attributed to an increase in the tax levy and controls over spending.
- In the District's business-type activities, net position decreased \$4,416.12 during the 2016 fiscal year compared to a \$2,341.00 increase in fiscal year 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

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

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A-1

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position decreased between fiscal years 2015 and 2016 as a result of a depreciation expense and the change in net position liability. Net position for business-type activities decreased \$4,416.12 during the current fiscal year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	2,455,109.51	2,517,297.00	27,274.28	31,214.00	2,482,383.79	2,548,511.00
Capital assets	5,642,174.23	5,875,525.00			5,642,174.23	5,875,525.00
Total assets	<u>8,097,283.74</u>	<u>8,392,822.00</u>	<u>27,274.28</u>	<u>31,214.00</u>	<u>8,124,558.02</u>	<u>8,424,036.00</u>
Deferred outflows of resources	501,572.00	258,165.00	-	-	501,572.00	759,737.00
Long-term liabilities	3,258,158.89	2,906,684.00	2,590.26	2,114.00	3,260,749.15	2,908,798.00
Other liabilities	71,525.80	147,892.00			71,525.80	147,892.00
Total liabilities	<u>3,329,684.69</u>	<u>3,054,576.00</u>	<u>2,590.26</u>	<u>2,114.00</u>	<u>3,332,274.95</u>	<u>3,056,690.00</u>
Deferred inflows of resources	37,172.00	107,818.00	-	-	37,172.00	107,818.00
Net Position						
Invested in capital assets	5,097,174.23	5,145,525.00			5,097,174.23	5,145,525.00
Restricted	2,179,467.30	2,168,315.00			2,179,467.30	2,168,315.00
Unrestricted	<u>(2,044,642.48)</u>	<u>(1,825,247.00)</u>	<u>24,684.02</u>	<u>29,100.00</u>	<u>(2,019,958.46)</u>	<u>(1,796,147.00)</u>
Total net position	<u>5,231,999.05</u>	<u>5,488,593.00</u>	<u>24,684.02</u>	<u>29,100.00</u>	<u>5,256,683.07</u>	<u>5,517,693.00</u>

Changes in net position. The total governmental fund revenue of the District increased slightly compared to amounts recognized in the prior year. This can be attributed to an overall increase in the tax levy. For 2016 and 2015, the local tax levy was 62.34% and 59.85% of total governmental fund revenues, respectively. The municipality levies this tax on properties located in the City and remits the collections on a monthly basis to the District.

Approximately 6.38% of the District's governmental funds revenue came from the State of New Jersey and Federal Government in the form of unrestricted aid. The state aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The federal funding will vary depending on available funding for that year. The District expenses are primarily related to instruction, administration, and plant operations.

	<u>2016</u>		<u>2015</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$6,575,254.00	62.34%	\$6,312,709.00	59.85%
Unrestricted State and Federal Aid	\$673,232.00	6.38%	\$670,891.00	6.36%
Federal & State Aid restricted	\$0.00	0.00%	\$0.00	0.00%
Operating grants and contributions	\$3,287,831.71	31.17%	\$3,145,678.00	29.83%
Capital grants and contributions	\$0.00	0.00%	\$0.00	0.00%
Other	\$10,489.02	0.10%	\$33,691.00	0.32%
Totals	<u>\$10,546,806.73</u>	<u>100.00%</u>	<u>\$10,162,969.00</u>	<u>96.36%</u>

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Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2016 and 2015 fiscal years.

	Governmental Activities		Business Activities		Totals	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenue						
Charges for services	772,000.00	891,409.00	31,996.16	34,070.00	803,996.16	925,479.00
Federal and State grants and entitlements Capital Grants and entitlements	2,515,831.71	2,254,269.00	55,648.98	59,250.00	2,571,480.69	2,313,519.00
General revenues						
Property taxes	6,575,254.00	6,312,709.00			6,575,254.00	6,312,709.00
Interest	1,548.10	1,471.00	3.50	4.00	1,551.60	1,475.00
State and Federal Aid	673,232.00	670,891.00			673,232.00	670,891.00
Other	8,940.92	32,220.00			8,940.92	32,220.00
Total revenues	<u>10,546,806.73</u>	<u>10,162,969.00</u>	<u>87,648.64</u>	<u>93,324.00</u>	<u>10,634,455.37</u>	<u>10,256,293.00</u>
Expenses						
Instruction:						
Regular	4,085,763.39	4,135,479.00			4,085,763.39	4,135,479.00
Special Education	655,333.79	594,056.00			655,333.79	594,056.00
Other Special Instruction	661,991.67	551,700.00			661,991.67	551,700.00
Support services:						
Tuition	1,418,719.80	1,522,909.00			1,418,719.80	1,522,909.00
Student & instruction related services	1,854,172.42	1,612,507.00			1,854,172.42	1,612,507.00
General & business admin services	342,891.20	325,769.00			342,891.20	325,769.00
School administration services	101,553.90	92,584.00			101,553.90	92,584.00
Plant operations & maintenance	1,145,364.41	882,588.00			1,145,364.41	882,588.00
Pupil transportation	129,233.08	102,106.00			129,233.08	102,106.00
Business and other support services	273,619.38	242,151.00			273,619.38	242,151.00
Interest on long term debt	20,751.09	23,187.00			20,751.09	23,187.00
Capital outlay	64,920.92	-			64,920.92	-
Special Schools	13,575.00	13,500.00			13,575.00	13,500.00
Business-type activities			122,064.76	118,983.00	122,064.76	118,983.00
Other Sources (uses) of funds					-	-
Transfers	30,000.00	28,000.00	(30,000.00)	(28,000.00)	-	-
Loss on disposal of assets	5,510.70				5,510.70	-
Total expenses	<u>10,803,400.75</u>	<u>10,126,537.00</u>	<u>92,064.76</u>	<u>118,983.00</u>	<u>10,895,465.51</u>	<u>10,217,519.00</u>
Increase/(decrease) in net position	<u>(256,594.02)</u>	<u>36,432.00</u>	<u>(4,416.12)</u>	<u>(25,659.00)</u>	<u>(261,010.14)</u>	<u>38,774.00</u>

Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased \$5,675.36 from the previous year while expenses increased \$8,756.62.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$5,231,999.05 which is \$256,594.02 below the beginning of the year. This is primarily due to increases in necessary budgetary spending which were not offset by an increase in state funding sufficient to offset the increase in spending.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was \$7,776.98 more than the budgeted amount. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$855,776.52.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had invested \$5,642,174.23, net of depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery. Capital assets purchased through the business-type activities are fully depreciated.

	2016	2015
Land	\$ 474,000.00	474,000.00
Buildings & Improvements	5,011,798.06	5,202,740.00
Machinery & Equipment	156,376.17	198,785.00
Total	\$ <u>5,642,174.23</u>	<u>5,875,525.00</u>

Total aggregate cost basis for the districts capital assets as of June 30, 2016 was \$8,762,130.94 with accumulated depreciation of \$3,119,956.71. More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

Long-term Debt

	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
Governmental Activities				
Bonds Payable	730,000.00	-	185,000.00	545,000.00
Compensated Absences Payable	367,492.00	88,671.34	54,955.45	401,207.89
Total Governmental Activities	<u>1,097,492.00</u>	<u>88,671.34</u>	<u>239,955.45</u>	<u>946,207.89</u>

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

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For the Future

The City of North Wildwood School District is in good financial condition presently. The School District is proud of its community support of the public schools.

In conclusion, the City of North 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 DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have any questions about this report or need additional information, contact John Hansen, School Business Administrator at the City of North Wildwood Board of Education District Office, 1201 Atlantic Avenue, City of North Wildwood, NJ 08260.

BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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City of North Wildwood School District
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,422,884.55	22,824.55	2,445,709.10
Due from other governments	32,224.96	4,112.36	36,337.32
Inventory		337.37	337.37
Capital assets, not depreciated	474,000.00		474,000.00
Capital assets, net	<u>5,168,174.23</u>	-	<u>5,168,174.23</u>
Total Assets	<u>8,097,283.74</u>	<u>27,274.28</u>	<u>8,124,558.02</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	477,073.00		477,073.00
Loss on refunding of long-term debt	<u>24,499.00</u>		<u>24,499.00</u>
Total Deferred Outflow of Resources	<u>501,572.00</u>	-	<u>501,572.00</u>
LIABILITIES			
Accrued interest	4,484.59		4,484.59
Accounts payable	25,520.83		25,520.83
Payable to other governments	32,786.61		32,786.61
Unearned revenue	8,733.77		8,733.77
Noncurrent liabilities:			
Due within one year	180,000.00		180,000.00
Due beyond one year	766,207.89	2,590.26	768,798.15
Net Pension Liability	<u>2,311,951.00</u>		<u>2,311,951.00</u>
Total liabilities	<u>3,329,684.69</u>	<u>2,590.26</u>	<u>3,332,274.95</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>37,172.00</u>		<u>37,172.00</u>
NET POSITION			
Net investment in capital assets	5,097,174.23	-	5,097,174.23
Restricted for:			
Other purposes	2,179,467.30		2,179,467.30
Unrestricted	<u>(2,044,642.48)</u>	<u>24,684.02</u>	<u>(2,019,958.46)</u>
Total net position	<u>\$ 5,231,999.05</u>	<u>24,684.02</u>	<u>5,256,683.07</u>

The accompanying notes are an integral part of these financial statements

City of North Wildwood School District
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:						
Instruction:						
Regular	\$ 3,132,069.52	953,693.87	772,000.00	1,275,792.66		(2,037,970.73)
Special education	502,366.58	152,967.21		153,756.96		(501,576.83)
Other special instruction	507,470.39	154,521.28		155,319.07		(506,672.60)
Support services:						
Tuition	1,418,719.80			143,960.00		(1,274,759.80)
Student & instruction related services	1,421,373.77	432,798.65		609,129.84		(1,245,042.58)
General administrative services	258,432.24	84,458.96		32,730.60		(310,160.60)
School administrative services	76,539.74	25,014.16		9,693.80		(91,860.10)
Plant operations and maintenance	863,244.94	282,119.47		109,330.50		(1,036,033.91)
Pupil transportation	129,233.08					(129,233.08)
Business and other support services	206,223.06					(206,223.06)
Unallocated benefits	2,152,969.92	(2,152,969.92)				
Capital Outlay	64,920.92			26,118.28		(64,920.92)
Special Schools	13,575.00					(13,575.00)
Interest on long-term debt	20,751.09					(20,751.09)
Total governmental activities	<u>10,767,890.05</u>	<u>-</u>	<u>772,000.00</u>	<u>2,515,831.71</u>	<u>-</u>	<u>(7,480,058.34)</u>
Business-type activities:						
Food Service	122,064.76		31,996.16	55,648.98		(34,419.62)
Total business-type activities	<u>122,064.76</u>		<u>31,996.16</u>	<u>55,648.98</u>		<u>(34,419.62)</u>
Total primary government	<u>10,889,954.81</u>		<u>803,996.16</u>	<u>2,571,480.69</u>		<u>(7,514,477.96)</u>
General revenues:						
Taxes:						
Property taxes: levied for general purposes, net						6,376,567.00
Taxes levied for debt service						198,687.00
Federal and State aid not restricted						673,232.00
Investment Earnings						1,551.60
Miscellaneous Income						8,940.92
Total General Revenues						<u>7,258,978.52</u>
Other sources (uses) of funds:						
Transfers						30,000.00
Loss on disposal of assets						(5,510.70)
Total general revenues, special items, extraordinary items and transfers						<u>30,000.00</u>
Change in Net Position						<u>7,253,467.82</u>
Net Position—beginning						<u>(261,010.14)</u>
Net Position—ending						<u>5,517,693.21</u>
						<u>5,231,999.05</u>
						<u>24,684.02</u>
						<u>5,256,683.07</u>

FUND FINANCIAL STATEMENTS

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City of North Wildwood School District
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,394,381.62	28,502.03	0.90	2,422,884.55
Due from other funds	6,861.78			6,861.78
Receivables from other governments	-	32,224.96		32,224.96
Other current assets	-			-
Total assets	2,401,243.40	60,726.99	0.90	2,461,971.29
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable		25,520.83		25,520.83
Due to other funds		6,861.78		6,861.78
Due to other governments		32,786.61		32,786.61
Unearned revenue		8,733.77		8,733.77
Total liabilities	-	73,902.99	-	73,902.99
Fund Balances:				
Restricted for:				
Excess surplus	702,211.09			702,211.09
Excess surplus - designated for subsequent year's expenditures	563,255.00			563,255.00
Committed to:				
Capital reserve	387,335.16			387,335.16
Maintenance reserve	308,949.51			308,949.51
Tuition reserve for 2014/2015	50,468.23			50,468.23
Tuition reserve for 2015/2016	50,000.00			50,000.00
Assigned to:				
Designated for subsequent year's expenditures	-		0.90	0.90
Encumbrances	117,247.41			117,247.41
Unreserved, reported in:				
General fund	221,777.00			221,777.00
Special revenue fund		(13,176.00)		(13,176.00)
Debt service fund				-
Total Fund balances	2,401,243.40	(13,176.00)	0.90	2,388,068.30
Total liabilities and fund balances	\$ 2,401,243.40	60,726.99	0.90	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 5,642,174.23

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (4,484.59)

Deferred amount on refunding and premiums on bonds are reported in the governmental fund as expenditures in the year bonds are issued but are amortized over the life of the bonds on the statement of activities 24,499.00

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds (1,872,050.00)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (946,207.89)

Net position of governmental activities \$ 5,231,999.05

City of North Wildwood School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local tax levy	\$ 6,376,567.00		198,687.00	6,575,254.00
Tuition Charges	772,000.00			772,000.00
Interest	1,548.10			1,548.10
Miscellaneous	8,940.92	20,245.98		29,186.90
State sources	1,507,578.07	259,888.36		1,767,466.43
Federal sources		355,097.30		355,097.30
Total revenues	<u>8,666,634.09</u>	<u>635,231.64</u>	<u>198,687.00</u>	<u>9,500,552.73</u>
EXPENDITURES				
Current:				
Regular instruction	2,105,951.78	321,226.95		2,427,178.73
Special education instruction	389,306.01			389,306.01
Other special instruction	393,261.17			393,261.17
Support services and undistributed costs:				
Tuition	1,274,759.80	143,960.00		1,418,719.80
Student & instruction related services	962,772.03	138,713.16		1,101,485.19
General administrative services	214,950.51			214,950.51
School administrative services	63,661.77			63,661.77
Plant operations and maintenance	718,002.28			718,002.28
Pupil transportation	129,233.08			129,233.08
Business and other support services	171,525.62			171,525.62
Unallocated Benefits	2,117,586.39	35,383.53		2,152,969.92
Debt service:				
Principal			185,000.00	185,000.00
Interest and other charges			13,687.50	13,687.50
Capital outlay	64,920.92			64,920.92
Special schools	13,575.00			13,575.00
Total expenditures	<u>8,619,506.36</u>	<u>639,283.64</u>	<u>198,687.50</u>	<u>9,457,477.50</u>
Excess (Deficiency) of revenues and other financing (uses) over expenditures	<u>47,127.73</u>	<u>(4,052.00)</u>	<u>(0.50)</u>	<u>43,075.23</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(30,000.00)			(30,000.00)
Total other financing sources and uses	<u>(30,000.00)</u>	<u>-</u>	<u>-</u>	<u>(30,000.00)</u>
Net change in fund balances	17,127.73	(4,052.00)	(0.50)	13,075.23
Fund balance—July 1	2,384,115.67	(9,124.00)	1.40	2,374,993.07
Fund balance—June 30	<u>\$ 2,401,243.40</u>	<u>(13,176.00)</u>	<u>0.90</u>	<u>2,388,068.30</u>

**City of North Wildwood School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016**

Total net change in fund balances - governmental funds (from B-2)	\$	13,075.23
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	Depreciation expense	(227,840.07)
	Assets charged to expense	-
	Loss on disposal of assets	(5,510.70)
	Capital outlays	(233,350.77)
Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		185,000.00
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		1,103.41
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions - PERS	88,545.00	
Cost of benefits earned net of employee contributions	(269,084.00)	(180,539.00)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Compensated absences		(33,715.89)
Amortization of loss on refunding of 1999 bond issue		(8,167.00)
Change in net position of governmental activities	\$	<u>(256,594.02)</u>

The accompanying notes are an integral part of these financial statements

**City of North Wildwood School District
Statement of Net Position
Proprietary Funds
June 30, 2016**

			<u>Business-type Activities - Enterprise Funds</u>
			<u>Food Service</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$	22,824.55	
Receivables from other governments		4,112.36	
Inventories		337.37	
Total current assets		<u>27,274.28</u>	
Noncurrent assets:			
None			
Total assets		<u><u>27,274.28</u></u>	
LIABILITIES			
Current liabilities:			
None		-	
Noncurrent liabilities:			
Compensated absences		<u>2,590.26</u>	
Total noncurrent liabilities		<u>2,590.26</u>	
Total liabilities		<u>2,590.26</u>	
NET POSITION			
Invested in capital assets, net of related debt		-	
Unrestricted		<u>24,684.02</u>	
Total net position	\$	<u><u>24,684.02</u></u>	

The accompanying notes are an integral part of these financial statements

**City of North Wildwood School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016**

	Business-type Activities - Enterprise Funds
	Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 31,996.16
Total operating revenues	31,996.16
 Operating expenses:	
Salaries	30,121.13
Employee benefits	12,851.99
General supplies	3,448.25
Cost of sales	75,643.39
Total Operating Expenses	122,064.76
Operating (loss)	(90,068.60)
 Nonoperating revenues and expenses:	
State sources:	
State school lunch program	1,028.09
Federal sources:	
National school lunch program	49,587.41
National school breakfast program	5,033.48
Interest and investment revenue	3.50
Total nonoperating revenues	55,652.48
(Loss) before contributions & transfers	(34,416.12)
 Transfers in	30,000.00
 Change in net position	(4,416.12)
Total net position—beginning	29,100.14
Total net position—ending	\$ 24,684.02

**City of North Wildwood School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016**

		<u>Business-type Activities - Enterprise Funds</u>
		<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and other funds	\$	31,996.16
Payments to employees		(29,644.87)
Payments for employee benefits		(12,851.99)
Payments to suppliers		(79,429.01)
Net cash (used in) operating activities		<u>(89,929.71)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources		1,039.85
Federal Sources		55,130.66
(To)/From other funds		30,000.00
Net cash provided by non-capital financing activities		<u>86,170.51</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment revenue		3.50
Net cash provided by investing activities		<u>3.50</u>
Net increase in cash and cash equivalents		(3,755.70)
Balances—beginning of year		26,580.25
Balances—end of year		<u><u>22,824.55</u></u>
Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities:		
Operating (loss)		(90,068.60)
Adjustments to reconcile operating (loss) to net cash provided by/ (used in) operating activities		
Increase in Inventory		(337.37)
Increase in compensated absences		476.26
Total adjustments		<u>138.89</u>
Net cash (used in) operating activities	\$	<u><u>(89,929.71)</u></u>

The accompanying notes are an integral part of these financial statements

**City of North Wildwood School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016**

	<u>Unemployment Compensation</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 44,251.89	261,738.09
Total assets	<u>44,251.89</u>	<u>261,738.09</u>
LIABILITIES		
Accounts payable	272.09	
Payroll deductions and withholdings		261,738.09
Interfund payable		-
Total liabilities	<u>272.09</u>	<u>261,738.09</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	\$ <u>43,979.80</u>	

Exhibit B-8

City of North Wildwood School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	<u>Unemployment Compensation</u>
ADDITIONS	
Employee contributions	\$ 7,271.57
Board contributions	<u>25,000.00</u>
Total additions	<u>32,271.57</u>
DEDUCTIONS	
Other payments	<u>11,664.32</u>
Total deductions	<u>11,664.32</u>
Change in net position	20,607.25
Net position—beginning of the year	<u>23,372.55</u>
Net position—end of the year	<u>\$ 43,979.80</u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

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City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity:

The City of North Wildwood School District is a Type II district located in the County of Cape May, State of New Jersey. As a type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to a three-year term. The purpose of the District is to educate students in grades K-8. The City of North Wildwood School District had an approximate enrollment at June 30, 2016 and 2015 of 254 and 283 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

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

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

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City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

Fund Balances – Governmental Funds

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

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

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

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

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

3. Fiduciary Funds:

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

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

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Investments:

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

3. Inventories:

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

Food	\$	
Supplies		337.37
	\$	<u>337.37</u>

4. Capital Assets:

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

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

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

5. Revenues:

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

6. Expenditures:

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

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

7. Compensated absences:

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

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

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

8. Interfund Activity:

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

9. Budgets/Budgetary Control:

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal years 2015/16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

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

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

NOTE 2. INVESTMENTS

As of June 30, 2016, the District had no investments.

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

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

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2016, \$57,745.87 of the District's bank balance of \$2,903,323.25 was exposed to credit risk.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report

**City of North Wildwood School District
Notes to Financial Statements
June 30, 2016**

(QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$	383,787.06
Interest earnings		1,548.10
Deposits		
Budgeted – 2016 adopted budget		<u>2,000</u>
Ending balance, June 30, 2016	\$	<u>387,335.16</u>

NOTE 5. MAINTENANCE RESERVE FUND

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

Beginning balance, July 1, 2015	\$	318,188.49
Interest earnings		1,161.02
Budgeted – 2016 adopted budget		20,000.00
Anticipated in FY16 budget		<u>(30,400.00)</u>
Ending balance, June 30, 2016	\$	<u>308,949.51</u>

NOTE 6. RESERVE FOR TUITION

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

The activity of the tuition reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015		
Reserve for 2015/2016	\$	50,494.97
Reserve for 2016/2017		<u>50,000.00</u>
		100,494.97
Increased by:		
Interest earnings		213.26
Resolution adopted 6/13/16		50,000.00
Decreased by:		
Anticipated in FY16 budget		<u>(50,240.00)</u>
Ending balance, June 30, 2016		
Reserve for 2016/2017		50,468.23
Reserve for 2017/2018		<u>50,000.00</u>
	\$	<u>100,468.23</u>

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

NOTE 7. FIXED ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Disposals/</u> <u>Adjustments</u>	<u>Balance</u> <u>6/30/16</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 474,000.00			474,000.00
Total capital assets not being depreciated	<u>474,000.00</u>			<u>474,000.00</u>
Bldgs & Improv	7,637,676.25			7,637,676.25
Machinery & equip	655,964.69		(5,510.00)	650,454.69
Total at cost	<u>8,293,640.94</u>		<u>(5,510.00)</u>	<u>8,288,130.94</u>
Less accum depr.				
Bldg & improve	(2,434,936.28)	(190,941.91)		(2,625,878.19)
Machinery & equip	(457,180.36)	(36,898.16)		(494,078.52)
Total accum depr	<u>(2,892,116.64)</u>	<u>(227,840.07)</u>		<u>(3,119,956.71)</u>
Total capital assets being depreciated	<u>5,401,524.30</u>	<u>(227,840.07)</u>		<u>5,168,174.23</u>
Governmental activities - Capital Assets, net	<u>5,875,524.30</u>	<u>(227,840.07)</u>	<u>(5,510.00)</u>	<u>5,642,174.23</u>
Business-type activities				
Equipment	2,089.00		(2,089.00)	-
Less Accum depr	<u>(2,089.00)</u>		<u>2,089.00</u>	<u>-</u>
Business-type Activities Capital Assets, net	\$ -		-	-

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 110,925.55
Special education	16,187.90
Other special instruction	16,352.36
Student & instruction related services	45,801.32
General Administration	8,937.95
School administrative expenses	2,647.15
Plant operations and maintenance	29,855.56
Business and other support services	7,132.28
	<u>\$ 228,840.07</u>

**City of North Wildwood School District
Notes to Financial Statements
June 30, 2016**

NOTE 8. OPERATING LEASES

Effective December 2013, the District entered into a lease agreement for a postage machine and meter. The lease term is 63 months with payments of \$141.00 and \$129.00 due quarterly, respectively. Total rent expense for the 2016 fiscal year was \$1,080.00.

Effective July 2014, the District entered into a lease agreement for 7 Copiers. The lease term is 48 months with payments of \$2,603.82 due monthly. Total rent expense for the 2016 fiscal year was \$31,245.84.

Effective July 2014, the District entered into a lease agreement for 36 printers. The lease term is 48 months with payments of \$532.58 due monthly. Total rent expense for the 2016 fiscal year was \$6,390.96.

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

Year ending June 30,		
2017	\$	38,716.80
2018		38,716.80
2019		720.00
2020		0
2021		0
Total	\$	<u>78,153.60</u>

NOTE 9. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>	<u>Due within</u>
	<u>6/30/15</u>			<u>6/30/16</u>	<u>One Year</u>
Governmental Activities					
Compensated					
Absences Payable	\$ 367,492.00	88,671.34	54,955.45	401,207.89	
Refunding Bonds Payable	730,000.00		185,000.00	545,000.00	180,000.00
Net Pension Liability	1,809,192.00	502,759.00		2,311,951.00	
Total	<u>2,906,684.00</u>	<u>591,430.34</u>	<u>239,955.45</u>	<u>3,258,158.89</u>	<u>180,000.00</u>
Business-type Activities					
Compensated					
Absences Payable	2,114.00	701.50	225.24	2,590.26	-
Business-type activities					
Long-term liabilities	\$ 2,114.00	701.50	225.24	2,590.26	-

A. Bonds Payable:

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

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

Long-term debt as of June 30, 2016 consisted of the following:

\$1,095,000 School Bonds dated 6/4/13 payable in annual installments through 21/19. Interest is paid semiannually at varying rates, which range from 1.25% to 2.25%. The balance remaining as of June 30, 2016 was \$545,000.00.

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 180,000.00	10,912.50	190,912.50
2018	180,000.00	7,762.50	187,762.50
2019	185,000.00	4,162.50	189,162.50
2020	0	0	0
2021	0	0	0
Total	\$ 545,000.00	22,837.50	567,837.50

NOTE 10. PENSION PLANS

Description of Plans

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

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% 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 14.4% and the PERS rate is 12.4% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2016, 2015 and 2014 were \$579,238.00, \$440,509.00, and \$349,062.00, 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, 2016, 2015 and 2014 were \$88,545.00, \$79,661.00, and \$68,658.00, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2016, 2015 and 2014 was \$4,575,760.13, \$4,578,606.00, and \$4,365,229.00; covered payroll was \$3,457,958.00, \$3,428,033.00, and \$3,290,314 for TPAF; and \$687,627.00, \$803,771.00, and \$677,372 for PERS.

Significant Legislation

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

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

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

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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, and employer contributions to the retirement systems.

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

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

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

NOTE 11. PUBLIC EMPLOYEES' RETIREMENT FUND (PERS)

At June 30, 2016, the District reported a liability of \$2,311,951.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.01029914210%, which was an increase of 6.58% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$189,423.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 55,155.00	
Changes of assumptions	248,285.00	
Net difference between projected and actual earnings on pension plan investments		37,172.00
Changes in proportion and differences between District contributions and proportionate share of contributions	173,633.00	-
District contributions subsequent to the measurement date	88,545.00	
Total	\$ 565,618.00	37,172.00

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\$88,525.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	(82,232.26)
2017		(82,232.26)
2018		(82,232.26)
2019		(123,439.36)
2020		(69,764.85)
Total	\$	<u>(439,901.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.9% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

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percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participated employers as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 2,789,267	2,311,951	\$ 1,912,437

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 12. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	28,372,289.00
Total	\$ 28,372,289.00

The net pension liability was measured as of June 30, 2015 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,215,527.00 and revenue of \$1,215,527.00 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 475,682.00	28,195
Changes of assumptions	10,662,258.00	
Net difference between projected and actual earnings on pension plan investments		792,780
Changes in proportion and differences between District contributions and proportionate share of contributions		174,640
District contributions subsequent to the measurement date	169,273.00	
Total	\$ 11,307,213	995,615

\$254,102 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ (1,135,571.83)
2018	(1,135,571.83)
2019	(1,135,571.83)
2020	(1,739,560.73)
2021	(1,472,270.99)
Thereafter	(3,048,095.78)
Total	\$ (9,666,643.00)

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

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

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The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Cash	5.00%	53.00%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign Developed Equity	12.00%	6.22%
Emerging market equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount rate. The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.13% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

NOTE 13. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, , which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**City of North Wildwood School District
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June 30, 2016**

NOTE 14. LABOR CONTRACTS

As of June 30, 2016 the District’s employees were organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
City of North Wildwood Education Association (NWEA)	Full-time professional and certified personnel (teachers and nurses), full-time custodial employees, full-time clerical employees, and full-time aides. Part-time employees, supervisors (including the head custodian), managerial executives, confidential employees and administrative employees are not covered under this contract.	June 30, 2017

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

NOTE 15. COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts based on their individual contracts.

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

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

NOTE 16. DEFERRED COMPENSATION

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

NOTE 17. 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.

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Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2016 the District did not incur claims in excess of their coverage.

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2015-2016	\$25,000.00	7,271.57	11,664.32	43,979.80
2014-2015	\$10,000.00	7,268.00	7,536.00	23,373.00
2013-2014	10,000.00	7,054.00	28,138.00	13,641.00

NOTE 18. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2016, interfunds remained on the various balance sheets of the City of North Wildwood of Education.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$6,861.78	
Special Revenue Fund		\$6,861.78

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 19. 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.

City of North Wildwood School District
Notes to Financial Statements
June 30, 2016

NOTE 20. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$2,401,243.40 General Fund fund balance at June 30, 2016, \$117,247.41 is reserved for encumbrances, \$387,335.16 has been committed to the capital reserve fund; \$308,949.51 has been committed to the maintenance reserve fund; \$100,468.23 has been reserved for tuition increases (\$50,468.23 of this amount has been included as anticipated revenue for the year ending June 30, 2017), \$1,265,466.09 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$563,255.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2017); \$0 has been appropriated and also included as anticipated revenue for the year ending June 30, 2017; and \$221,777.00 is unreserved and undesignated.

NOTE 21. 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, 2016 is \$1,265,466.09, of which \$563,255.00 has been included in the 2016-17 budget. The excess fund balance at June 30, 2015 was \$1,082,428.00.

NOTE 22. DEFICIT FUND BALANCES

The District has a deficit fund balances of \$13,176.00 in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

NOTE 23. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 18, 2016, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

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**Required Supplemental Information
Part II**

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BUDGETARY COMPARISON SCHEDULES

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**City of North Wildwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,376,567.00		6,376,567.00	6,376,567.00	-
Tuition from Other LEAs Within the State	772,000.00		772,000.00	772,000.00	-
Interest Earned on Capital Reserve Accounts	2,000.00		2,000.00	1,548.10	(451.90)
Miscellaneous	16,783.00		16,783.00	8,940.92	(7,842.08)
Total - Local Sources	7,167,350.00	-	7,167,350.00	7,159,056.02	(8,293.98)
State Sources:					
Categorical Special Education Aid	154,606.00		154,606.00	154,606.00	-
Categorical Security Aid	59,917.00		59,917.00	59,917.00	-
Adjustment Aid	396,411.00		396,411.00	396,411.00	-
Categorical Transportation Aid	49,606.00		49,606.00	49,606.00	-
Additional Non Public Transportation Aid			-	517.00	517.00
Per Pupil Growth Aid	3,100.00		3,100.00	3,100.00	-
PARCC Readiness	3,100.00		3,100.00	3,100.00	-
On-Behalf TPAF Pension Contributions (non-budgeted)				579,238.00	579,238.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				255,108.07	255,108.07
Total - State Sources	666,740.00	-	666,740.00	1,501,603.07	834,863.07
Total Revenues	7,834,090.00	-	7,834,090.00	8,660,659.09	826,569.09

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	158,000.00	4,000.00	162,000.00	158,617.52	3,382.48
Grades 1-5	1,055,000.00	(47,000.00)	1,008,000.00	1,000,289.16	7,710.84
Grades 6-8	682,500.00	(38,900.00)	643,600.00	640,464.03	3,135.97
Regular Programs - Home Instruction:					
Salaries of Teachers	1,500.00	-	1,500.00	570.00	930.00
Purchased Professional Services	3,000.00	-	3,000.00	180.00	2,820.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	105,000.00	-	105,000.00	99,873.31	5,126.69
Purchased Professional - Educational Services	1,800.00	-	1,800.00	-	1,800.00
Purchased Technical Services	500.00	-	500.00	-	500.00
Other Purchased Services	50,000.00	(5,425.00)	44,575.00	27,995.24	16,579.76
General Supplies	182,095.89	(5,000.00)	177,095.89	145,734.65	31,361.24
Textbooks	20,000.00	-	20,000.00	9,438.44	10,561.56
Other Objects	20,000.00	5,000.00	25,000.00	22,789.43	2,210.57
Total Regular Programs	2,279,395.89	(87,325.00)	2,192,070.89	2,105,951.78	86,119.11
Multiple Disabilities					
Salaries of Teachers	57,050.00	-	57,050.00	54,884.97	2,165.03
Purchased Professional-Educational Services	2,000.00	-	2,000.00	-	2,000.00
General Supplies	2,000.00	-	2,000.00	-	2,000.00
Total Multiple Disabilities	61,050.00	-	61,050.00	54,884.97	6,165.03
Resource Room/Resource Center					
Salaries of Teachers	335,000.00	-	335,000.00	334,421.04	578.96
General Supplies	2,000.00	-	2,000.00	-	2,000.00
Total Resource Room/Resource Center	337,000.00	-	337,000.00	334,421.04	2,578.96
Total Special Education - Instruction	398,050.00	-	398,050.00	389,306.01	8,743.99
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	253,000.00	47,000.00	300,000.00	299,991.85	8.15
General Supplies	1,000.00	(750.00)	250.00	-	250.00
Total Basic Skills/Remedial - Instruction	254,000.00	46,250.00	300,250.00	299,991.85	258.15

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	10,000.00	-	10,000.00	9,683.31	316.69
General Supplies	500.00	-	500.00	493.82	6.18
Total Bilingual Education - Instruction	10,500.00	-	10,500.00	10,177.13	322.87
School Sponsored Cocurricular Activities - Instruction:					
Salaries	14,000.00	1,000.00	15,000.00	13,387.57	1,612.43
Purchased Services	1,000.00	(200.00)	800.00	800.00	-
Supplies and Materials	2,000.00	(1,800.00)	200.00	-	200.00
Transfers to Cover Deficit (Agency Funds)	100.00	800.00	900.00	860.10	39.90
Total School Sponsored Cocurricular Activities - Instruction	17,100.00	(200.00)	16,900.00	15,047.67	1,852.33
School Sponsored Athletics - Instruction:					
Salaries	43,500.00	2,700.00	46,200.00	45,828.60	371.40
Purchased Services	14,000.00	4,100.00	18,100.00	15,272.58	2,827.42
Supplies and Materials	6,000.00	600.00	6,600.00	5,338.34	1,261.66
Other Objects	3,000.00	(1,100.00)	1,900.00	1,605.00	295.00
Total School Sponsored Athletics - Instruction	66,500.00	6,300.00	72,800.00	68,044.52	4,755.48
Total Instruction	3,025,545.89	(34,975.00)	2,990,570.89	2,888,518.96	102,051.93
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within State - Regular	666,050.00	19,000.00	685,050.00	668,544.27	16,505.73
Tuition to Other LEAs Within State - Special	150,000.00	-	150,000.00	150,000.00	-
Tuition to County Voc. School District - Regular	185,526.00	-	185,526.00	185,526.00	-
Tuition to County Voc. School District - Special	-	-	-	-	-
Tuition to CSSD & Regional Day Schools	512,094.50	(12,000.00)	500,094.50	218,695.80	281,398.70
Tuition to Private Schools for the Handicapped	75,162.36	6,000.00	81,162.36	51,993.73	29,168.63
Tuition- State Facilities	-	-	-	-	-
Total Undistributed Expenditures - Instruction	1,588,832.86	13,000.00	1,601,832.86	1,274,759.80	327,073.06
Undistributed Expenditures - Attendance and Social Work:					
Salaries	97,500.00	(7,500.00)	90,000.00	86,339.80	3,660.20
Other Purchased Services	1,200.00	-	1,200.00	1,069.31	130.69
Supplies and Materials	1,000.00	-	1,000.00	640.00	360.00
Other Objects	3,000.00	-	3,000.00	3,000.00	-
Total Undistributed Expenditures - Attendance and Social Work	102,700.00	(7,500.00)	95,200.00	91,049.11	4,150.89

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	58,000.00	-	58,000.00	57,364.92	635.08
Purchased Professional and Technical Services	5,000.00	-	5,000.00	5,000.00	-
Other Purchased Services	150.00	-	150.00	130.00	20.00
Supplies and Materials	2,200.00	-	2,200.00	1,489.66	710.34
Other Objects	100.00	-	100.00	85.00	15.00
Total Undistributed Expenditures - Health Services	65,450.00	-	65,450.00	64,069.58	1,380.42
Undistributed Expenditures - Other Support Services - Students - Speech/OT/PT/Related Services:					
Salaries	50,400.00	200.00	50,600.00	47,395.62	3,204.38
Purchased Professional - Educational Services	7,500.00	550.00	8,050.00	8,050.00	-
Supplies and Materials	1,000.00	1,200.00	2,200.00	2,200.00	-
Total Undistributed Expenditures - Other Support Services - Students - Speech/OT/PT/Related Services	58,900.00	1,950.00	60,850.00	57,645.62	3,204.38
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	31,000.00	1,500.00	32,500.00	32,301.41	198.59
Purchased Professional - Educational Services	70,000.00	(2,500.00)	67,500.00	6,807.50	60,692.50
Supplies and Materials	100.00	-	100.00	57.88	42.12
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	101,100.00	(1,000.00)	100,100.00	39,166.79	60,933.21
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	126,000.00	(100.00)	125,900.00	124,941.10	958.90
Salaries of Secretarial and Clerical Assistants	15,400.00	100.00	15,500.00	15,366.00	134.00
Purchased Professional - Educational Services	25,000.00	-	25,000.00	24,400.00	600.00
Other Purchased Professional and Technical Services	732.00	-	732.00	385.75	346.25
Other Purchased Services	1,200.00	-	1,200.00	1,163.77	36.23
Supplies and Materials	1,000.00	-	1,000.00	-	1,000.00
Total Undistributed Expenditures - Other Support Services - Students - Guidance	169,332.00	-	169,332.00	166,256.62	3,075.38

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services -					
Students - Child Study Teams:					
Salaries Other Professional Staff	185,000.00	(500.00)	184,500.00	174,435.87	10,064.13
Salaries of Secretarial and Clerical Assistants	40,000.00	-	40,000.00	37,408.78	2,591.22
Purchased Professional - Educational Services	80,495.00	8,000.00	88,495.00	81,835.12	6,659.88
Other Purchased Professional and Technical Services	3,000.00	-	3,000.00	2,880.00	120.00
Miscellaneous Purchased Services	3,000.00	-	3,000.00	1,339.61	1,660.39
Supplies and Materials	3,000.00	-	3,000.00	2,564.61	435.39
Other Objects	500.00	-	500.00	247.00	253.00
Total Undistributed Expenditures - Other Support Services -	314,995.00	7,500.00	322,495.00	300,710.99	21,784.01
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	59,000.00	-	59,000.00	52,629.81	6,370.19
Salaries of Secretarial and Clerical Assistants	38,700.00	-	38,700.00	37,614.20	1,085.80
Other Purchased Services	350.00	-	350.00	4.50	345.50
Supplies and Materials	500.00	-	500.00	131.64	368.36
Other Objects	500.00	-	500.00	-	500.00
Total Undistributed Expenditures - Improv. of Instr. Services	99,050.00	-	99,050.00	90,380.15	8,669.85
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	81,200.00	7,000.00	88,200.00	87,537.33	662.67
Salaries of Technology Coordinators	39,500.00	3,000.00	42,500.00	42,425.34	74.66
Purchased Professional and Technical Services	500.00	-	500.00	71.00	429.00
Other Purchased Services	3,569.76	-	3,569.76	3,216.15	353.61
Supplies and Materials	18,000.00	-	18,000.00	12,480.42	5,519.58
Other Objects	2,500.00	-	2,500.00	2,500.00	-
Total Undistributed Expenditures - Educational Media Services -	145,269.76	10,000.00	155,269.76	148,230.24	7,039.52
Undistributed Expenditures - Instruction Staff Training Service					
Salaries of Supervisors of Instruction	5,500.00	-	5,500.00	5,262.93	237.07
Purchased Professional - Educational Services	500.00	-	500.00	-	500.00
Supplies and Materials	500.00	-	500.00	-	500.00
Total Undistributed Expenditures - Instruction Staff Training Service	6,500.00	-	6,500.00	5,262.93	1,237.07

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	128,200.00	200.00	128,400.00	125,810.62	2,589.38
Legal Services	29,608.00	(3,100.00)	26,508.00	2,737.49	23,770.51
Audit Fees	23,000.00	100.00	23,100.00	22,100.00	1,000.00
Architectural/Engineering Services	500.00	1,250.00	1,750.00	1,750.00	-
Communications/Telephone	29,799.08	-	29,799.08	26,781.74	3,017.34
BOE Other Purchased Services	1,000.00	-	1,000.00	990.00	100.00
Miscellaneous Purchased Services	17,200.00	(2,450.00)	14,750.00	10,570.05	4,179.95
General Supplies	3,158.57	1,000.00	4,158.57	4,137.93	20.64
BOE In-House Training and Meeting Supplies	500.00	-	500.00	182.91	317.09
Miscellaneous Expenditures	6,800.00	3,000.00	9,800.00	9,407.32	392.68
BOE Membership Dues and Fees	11,700.00	-	11,700.00	10,482.45	1,217.55
Total Undistributed Expenditures - Support Services - Gen. Admin.	251,465.65	(0.00)	251,465.65	214,950.51	36,515.14
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals and Assistant Principals/Program Director	39,000.00	-	39,000.00	38,249.90	750.10
Salaries of Secretarial and Clerical Assistants	15,000.00	1,500.00	16,500.00	14,754.22	1,745.78
Other Purchased Services	1,500.00	-	1,500.00	1,104.19	395.81
Supplies and Materials	3,923.60	(1,500.00)	2,423.60	2,352.70	70.90
Other Objects	2,500.00	5,600.00	8,100.00	7,200.76	899.24
Total Undistributed Expenditures - Support Serv. - School Admin.	61,923.60	5,600.00	67,523.60	63,661.77	3,861.83
Undistributed Expenditures - Central Services					
Salaries	150,300.00	(10,600.00)	139,700.00	139,669.42	30.58
Purchased Professional Services	5,700.00	2,400.00	8,100.00	7,508.30	591.70
Misc. Purchased Services	1,300.00	300.00	1,600.00	1,470.66	129.34
Supplies and Materials	1,000.00	(150.00)	850.00	646.65	203.35
Miscellaneous Expenditures	1,000.00	2,550.00	3,550.00	3,446.59	103.41
Total Undistributed Expenditures - Central Services	159,300.00	(5,500.00)	153,800.00	152,741.62	1,058.38
Undistributed Expenditures - Admin. Info Technology					
Purchased Technical Services	13,550.00	5,500.00	19,050.00	18,784.00	266.00
Supplies and Materials	1,300.00	-	1,300.00	-	1,300.00
Total Undistributed Expenditures - Admin. Info Technology	14,850.00	5,500.00	20,350.00	18,784.00	1,566.00

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	32,400.00	-	32,400.00	24,775.76	7,624.24
Cleaning, Repair, and Maintenance Services	217,590.00	(15,000.00)	202,590.00	148,377.00	54,213.00
General Supplies	9,400.00	(1,500.00)	7,900.00	4,400.00	3,500.00
Total Undistributed Expenditures - Required Maint for School Facilities	259,390.00	(16,500.00)	242,890.00	177,552.76	65,337.24
Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services					
Salaries	264,000.00	(17,600.00)	246,400.00	242,769.10	3,630.90
Salaries of Non-Instructional Aides	26,500.00	3,800.00	30,300.00	30,244.25	55.75
Purchased Professional and Technical Services	14,000.00	(1,300.00)	12,700.00	12,074.44	625.56
Cleaning, Repair and Maintenance Services	54,000.00	(2,700.00)	51,300.00	49,379.27	1,920.73
Other Purchased Property Services	16,000.00	10,000.00	26,000.00	21,176.73	4,823.27
Insurance	15,000.00	500.00	15,500.00	15,002.00	498.00
Miscellaneous Purchased Services	200.00	-	200.00	23.73	176.27
General Supplies	37,809.33	21,900.00	59,709.33	58,318.41	1,390.92
Energy (Natural Gas)	59,590.60	-	59,590.60	33,599.58	25,991.02
Energy (Heat and Electricity)	65,000.00	-	65,000.00	55,971.61	9,028.39
Other Objects	250.00	1,900.00	2,150.00	1,844.00	306.00
Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services	552,349.93	16,500.00	568,849.93	520,403.12	48,446.81
Undistributed Expenditures - Operation and Maintenance of Plant Services - Security					
Salaries	20,500.00	-	20,500.00	20,046.40	453.60
Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Security	20,500.00	-	20,500.00	20,046.40	453.60
Undistributed Expenditures - Student Transportation Services:					
Management Fee-ESC & CTSA Trans. Program	5,309.45	2,000.00	7,309.45	6,505.88	803.57
Contracted Services - Aid in Lieu of Payments - NonPub Sch.	3,442.00	-	3,442.00	442.00	3,000.00
Contracted Services - Aid in Lieu of Payments - Charter Sch.	2,000.00	-	2,000.00	-	2,000.00
Contr Serv (Bet. Home and Sch)-Vendors	2,500.00	-	2,500.00	-	2,500.00
Contr Serv (Other than Bet. Home and Sch)-Vendors	14,866.52	500.00	15,366.52	12,516.66	2,849.86
Contr Serv (Bet. Home and Sch)-Joint Agreements	20,000.00	(4,500.00)	15,500.00	152.21	15,347.79
Contr Serv (Regular Students)-ESCs & CTSA	37,990.43	2,000.00	39,990.43	39,699.60	290.83
Contr Serv (Spec Ed Students)-ESCs & CTSA	99,206.72	-	99,206.72	69,916.73	29,289.99
Total Undistributed Expenditures - Student Transportation Serv.	185,315.12	-	185,315.12	129,233.08	56,082.04

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Unallocated Benefits:					
Social Security Contributions	74,500.00	4,000.00	78,500.00	72,649.26	5,850.74
Other Retirement Contributions - PERS	89,500.00	(955.00)	88,545.00	88,545.00	-
Other Retirement Contributions - Regular	500.00	-	500.00	-	500.00
Unemployment Compensation	25,000.00	-	25,000.00	25,000.00	-
Workmen's Compensation	35,000.00	(1,000.00)	34,000.00	34,000.00	-
Health Benefits	1,057,000.00	-	1,057,000.00	1,008,847.56	48,152.44
Sick Pay Disbursements	61,826.00	1,425.00	63,251.00	36,187.50	27,063.50
Tuition Reimbursement	14,500.00	-	14,500.00	14,500.00	-
Other Employee Benefits	1,725.00	1,955.00	3,680.00	3,511.00	169.00
Total Unallocated Benefits	1,359,551.00	5,425.00	1,364,976.00	1,283,240.32	81,735.68
On-behalf TPAF Pension Contributions (non-budgeted)					
Reimbursed TPAF Social Security Contributions (non-budgeted)					
Total On-behalf Contributions	-	-	-	834,346.07	(834,346.07)
Total Undistributed Expenditures	5,516,774.92	34,975.00	5,551,749.92	5,652,491.48	(100,741.56)
Total Current Expense	8,542,320.81	-	8,542,320.81	8,541,010.44	1,310.37
Capital Outlay:					
Equipment					
Undistributed Expend-Support Services					
Instruction	28,000.00	-	28,000.00	11,404.92	16,595.08
Required Maintenance for Schools	-	-	-	-	-
Security	-	-	-	-	-
Total Equipment	28,000.00	-	28,000.00	11,404.92	16,595.08
Interest Deposit to Capital Reserve	2,000.00		2,000.00		2,000.00
Total Deposit to Capital Reserve	2,000.00		2,000.00		2,000.00
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	-	-	-	-
Construction Services	50,000.00	-	50,000.00	50,000.00	-
Debt Service Assessment on SDA Funding	3,516.00		3,516.00	3,516.00	-
Total Facilities Acquisition and Construction Services	53,516.00		53,516.00	53,516.00	
Total Capital Outlay	83,516.00	-	83,516.00	64,920.92	18,595.08

City of North Wildwood School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Special Schools					
Summer School - Instruction					
Salaries of Teachers	14,000.00	-	14,000.00	13,575.00	425.00
Other Salaries for Instruction	1,000.00	-	1,000.00	-	1,000.00
Salaries of Teacher Tutors	-	-	-	-	-
General Supplies	100.00	-	100.00	-	100.00
Total Summer School - Instruction	15,100.00	-	15,100.00	13,575.00	1,425.00
Transfer to Charter Schools	-	-	-	-	-
Total Expenditures	8,640,936.81	-	8,640,936.81	8,619,506.36	21,330.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	(806,846.81)	-	(806,846.81)	41,152.73	847,899.54
Other Financing Sources (Uses)					
Transfers in					
Transfer out	(30,000.00)	-	(30,000.00)	(30,000.00)	-
Transfers to Cover Deficit (Enterprise Fund)					
Increase in Capital Reserve		-	-	-	-
Total Other Financing Sources (Uses)	(30,000.00)	-	(30,000.00)	(30,000.00)	-

**City of North Wildwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Net change in fund balances	(836,846.81)	-	(836,846.81)	1,152.73	847,999.54
Fund Balances, July 1	2,418,313.67	-	2,418,313.67	2,418,313.67	-
Fund Balances, June 30	<u>1,581,466.86</u>	<u>-</u>	<u>1,581,466.86</u>	<u>2,429,466.40</u>	<u>847,999.54</u>

Recapitulation of Fund Balance:

Restricted Fund Balance	
Excess Surplus	702,211.09
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	563,255.00
Committed Fund Balance	
Capital Reserve	387,335.16
Maintenance Reserve	308,949.51
Tuition Reserve for 2016/2017	50,468.23
Tuition Reserve for 2017/2018	50,000.00
Assigned Fund Balance	
Designated for Subsequent Year's Expenditures Reserve for Encumbrances	-
	117,247.41
Unassigned Fund Balance	<u>250,000.00</u>
	2,429,466.40

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

	(28,223.00)
Fund Balance per Governmental Funds (GAAP)	<u>2,401,243.40</u>

City of North Wildwood School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	-	19,701.51	19,701.51	18,925.98	(775.53)
Total - Local Sources	-	19,701.51	19,701.51	18,925.98	(775.53)
State Sources:					
Preschool Education Aid	131,760.00		131,760.00	131,760.00	-
Other Restricted Entitlements	152,532.00	12,433.00	164,965.00	132,180.36	(32,784.64)
Total - State Sources	284,292.00	12,433.00	296,725.00	263,940.36	(32,784.64)
Federal Sources:					
Title I	99,782.00	73,202.00	172,984.00	120,093.23	(52,890.77)
Title II	40,315.00	38,649.00	78,964.00	35,634.29	(43,329.71)
I.D.E.A., Part B	155,737.00	58,423.00	214,160.00	195,087.78	(19,072.22)
Other	3,450.00	1,144.00	4,594.00	4,282.00	(312.00)
Total - Federal Sources	299,284.00	171,418.00	470,702.00	355,097.30	(115,604.70)
Total Revenues	583,576.00	203,552.51	787,128.51	637,963.64	(149,164.87)
EXPENDITURES:					
Instruction					
Salaries of Teachers	240,112.00	28,560.00	268,672.00	232,801.99	35,870.01
Other salaries for instruction	68,677.00	(4,571.00)	64,106.00	35,747.46	28,358.54
Tuition	155,737.00	(11,777.00)	143,960.00	143,960.00	-
General supplies	9,520.00	25,180.51	34,700.51	33,039.74	1,660.77
Textbooks	17,725.00	1,918.00	19,643.00	19,637.76	5.24
Total instruction	491,771.00	39,310.51	531,081.51	465,186.95	65,894.56

City of North Wildwood School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Other Professional Staff	32,353.00	56,381.00	88,734.00	82,493.63	6,240.37
Personal Services - Employee Benefits	7,666.00	49,480.00	57,146.00	34,063.53	23,082.47
Purchased professional and educational services	40,315.00	54,266.00	94,581.00	41,611.79	52,969.21
Other Purchased Services	3,450.00	105.00	3,555.00	2,665.00	890.00
Travel	-	-	-	-	-
Supplies & Materials	8,021.00	4,010.00	12,031.00	11,942.74	88.26
Total support services	91,805.00	164,242.00	256,047.00	172,776.69	83,270.31
Facilities acquisition and construction services:					
Instructional Equipment	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-
Transfers to Charter Schools					
	-	-	-	-	-
Total expenditures	583,576.00	203,552.51	787,128.51	637,963.64	149,164.87
Other financing sources					
Transfer from other funds	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Total outflows	583,576.00	203,552.51	787,128.51	637,963.64	149,164.87
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-	-

**City of North Wildwood School District
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2016**

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 8,660,659.09	637,963.64
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		1,320.00
Current year		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	34,198.00	9,124.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(28,223.00)	(13,176.00)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	8,666,634.09	635,231.64
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	8,619,506.36	637,963.64
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		1,320.00
Current year		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 8,619,506.36	639,283.64

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Required Supplemental Information
Part III

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CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Three Fiscal Years

	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0102991421%	0.0096630754%	0.0091121249%
District's proportionate of the net pension liability (asset)	\$ 2,311,951.00	\$ 1,809,192.00	\$ 1,741,508.00
District's covered payroll	\$ 803,771.00	\$ 677,372.00	\$ 545,831.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	287.64%	267.09%	319.06%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Three Fiscal Years

	2015	2014	2013
Contractually required contribution	\$ 169,273.00	\$ 79,661.00	\$ 68,658.00
Contributions in relation to the contractually required contribution	<u>169,273.00</u>	<u>\$ 79,661.00</u>	<u>\$ 68,658.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 803,771.00	\$ 677,372.00	\$ 545,831.00
Contributions as a percentage of covered-employee payroll	21.06%	11.76%	12.58%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>28,372,289.00</u>	<u>16,709,958.00</u>	<u>16,587,788.00</u>
Total	<u>\$ 28,372,289.00</u>	<u>\$ 16,709,958.00</u>	<u>\$ 16,587,788.00</u>
District's covered payroll	\$ 3,428,033.00	\$ 3,290,314.00	\$ 4,418,221.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

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SPECIAL REVENUE FUND

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City of North Wildwood School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	Holly Beach Grant	Safety Grant	Preschool Education	Nonpublic Textbooks	Nonpublic Auxiliary Svcs Corrective Speech	Supplementa Instruction	Nonpublic Handicapped Services Examination & Classifier	Comp Ed	Nonpublic Home Instruction	Nonpublic Nursing
REVENUES:										
Local Sources	16,153.94	2,772.04	131,760.00	19,637.76	11,371.00	7,075.00	15,083.46	28,967.41	1,470.00	31,689.93
Slate Sources										
Federal Sources										
Total revenues	16,153.94	2,772.04	131,760.00	19,637.76	11,371.00	7,075.00	15,083.46	28,967.41	1,470.00	31,689.93
EXPENDITURES:										
Instruction										
Salaries of teachers			128,855.00			7,075.00	15,083.46	17,759.00	1,470.00	
Other salaries for instructor			2,905.00							
Purchased professional-educational services										
Tuition										
General supplies	16,153.94			19,637.76						
Textbooks										
Total instructor	16,153.94	-	131,760.00	19,637.76	-	7,075.00	15,083.46	17,759.00	1,470.00	-
Support services:					11,371.00					
Salaries of other professional staff										28,482.53
Salaries of supervisors of instructor										3,207.40
Personal services- employee benefit								2,037.71		
Purchased professional-educational service										
Other purchased services:										
Travel		2,772.04						9,170.70		
Supplies and material:										
Total support services	-	2,772.04	-	-	11,371.00	-	-	11,208.41	-	31,689.93
Facilities acquisition and const. serv.:										
Instructional equipment										
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-	-
Transfer to charter schools										
Total expenditures	16,153.94	2,772.04	131,760.00	19,637.76	11,371.00	7,075.00	15,083.46	28,967.41	1,470.00	31,689.93
Other financing sources										
Transfer from other funds										
Total outflows	16,153.94	2,772.04	131,760.00	19,637.76	11,371.00	7,075.00	15,083.46	28,967.41	1,470.00	31,689.93
Excess (deficiency) of revenue over (under) expenditure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of North Willwood School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	Nonpublic Security	Nonpublic Technology	Total State/Local Funds	Title I Part A	Title II Part A	I.D.E.A. Part B- Basic Instructor	I.D.E.A. Part B- Basic Preschool	Total Federal Funds	Totals
REVENUES:									
Local Sources	8,875.00	8,010.80	18,925.98						18,925.98
State Sources			263,940.36	120,093.23	35,634.29	195,087.78	4,282.00	355,097.30	263,940.36
Federal Sources			-						355,097.30
Total revenues	8,875.00	8,010.80	282,866.34	120,093.23	35,634.29	195,087.78	4,282.00	355,097.30	637,963.64
EXPENDITURES:									
Instruction									
Salaries of teachers			137,400.00	95,401.99				95,401.99	232,801.99
Other salaries for instructor			35,747.46						35,747.46
Purchased professional-educational services			-						-
Tuition			-			138,678.00	4,282.00	143,960.00	143,960.00
General supplies	8,875.00	8,010.80	33,039.74						33,039.74
Textbooks			19,637.76						19,637.76
Total Instructor	8,875.00	8,010.80	225,824.96	95,401.99	-	138,678.00	4,282.00	239,361.99	465,196.95
Support services									
Salaries of other professional staff			39,853.53			42,640.10		42,640.10	82,493.63
Salaries of supervisors of instructor			5,246.11	24,691.24		4,127.18		28,818.42	34,063.53
Personal services- employee benefit			-		35,634.29	5,977.50		41,611.79	41,611.79
Purchased professional-educational service			-			2,665.00		2,665.00	2,665.00
Other purchased services			-						-
Travel			11,942.74						11,942.74
Supplies and materials			-						-
Total support services:	-	-	57,041.38	24,691.24	35,634.29	55,409.78	-	115,735.31	172,776.69
Facilities acquisition and const. serv.:									
Instructional equipment			-						-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-	-
Transfer to charter schools									
Total expenditures	8,875.00	8,010.80	282,866.34	120,093.23	35,634.29	195,087.78	4,282.00	355,097.30	637,963.64
Other financing sources									
Transfer from other funds									
Total outflows	8,875.00	8,010.80	282,866.34	120,093.23	35,634.29	195,087.78	4,282.00	355,097.30	637,963.64
Excess (deficiency) of revenue over (under) expenditure									

**City of North Wildwood School District
Special Revenue Fund
Schedule of Preschool Education Aid
For the Fiscal Year Ended June 30, 2016**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 128,855.00	128,855.00	-
Other salaries for instruction	2,905.00	2,905.00	-
Total instruction	<u>131,760.00</u>	<u>131,760.00</u>	<u>-</u>
Support services:			
Professional services - employee benefits	-	-	-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 131,760.00</u>	<u>131,760.00</u>	<u>-</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2014-15 Preschool Education Aid Allocation	131,760.00
Add: Actual ECPA/PEA Carryover June 30, 2014	-
Add: Budgeted Transfer from the General Fund 2014-15	-
Total Preschool Education Aid Funds Available for 2014-15 Budget	<u>131,760.00</u>
Less: 2014-15 Budgeted Preschool Education Aid (Including prior year budget carryover)	<u>(131,760.00)</u>
Available & Unbudgeted Preschool Education Funds as of June 30, 2015	-
Add: June 30, 2015 Unexpended Preschool Education Aid"	-
Less: 2014-15 Commissioner-approved Transfer to the General Fund	-
2014-15 Carryover - Preschool Education Aid Program	<u>-</u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	-

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FIDUCIARY FUNDS

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City of North Wildwood School District
 Fiduciary Fund
 Combining Statement of Fiduciary Net Position
 June 30, 2016

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	<u>Expendable Trust</u>	<u>Agency</u>	<u>Total</u>
	<u>Unemployment Compensation</u>	<u>Payroll</u>	
ASSETS:			
Cash and cash equivalents	44,251.89	261,738.09	305,989.98
Total Assets	<u>44,251.89</u>	<u>261,738.09</u>	<u>305,989.98</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Summer Saving		261,177.65	261,177.65
Other liabilities	272.09	261,738.09	262,010.18
Total Liabilities	<u>272.09</u>	<u>522,915.74</u>	<u>523,187.83</u>
Fund balances:			
Reserved - Unemployment Compensation	43,979.80		43,979.80
Total fund balances	<u>43,979.80</u>	<u>-</u>	<u>43,979.80</u>
Total liabilities and fund balances	<u>44,251.89</u>	<u>522,915.74</u>	<u>567,167.63</u>

See Accompanying Auditor's Report

**City of North Wildwood School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016**

	<u>Unemployment Compensation</u>
ADDITIONS	
Employee contributions	\$ 7,271.57
Board contributions	25,000.00
Total additions	<u>32,271.57</u>
DEDUCTIONS	
Other payments	<u>11,664.32</u>
Total deductions	<u>11,664.32</u>
Change in net position	20,607.25
Net position—beginning of the year	<u>23,372.55</u>
Net position—end of the year	<u>\$ 43,979.80</u>

City of North Wildwood School District
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Margaret Mace School	\$ 9,581.49	17,950.42	18,938.10	8,593.81
Total All Schools	<u>9,581.49</u>	<u>17,950.42</u>	<u>18,938.10</u>	<u>8,593.81</u>

City of North Wildwood School District
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2016

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	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS:				
Cash and cash equivalents	\$ 1,467.35	5,579,146.13	5,318,875.39	261,738.09
Total assets	<u>1,467.35</u>	<u>5,579,146.13</u>	<u>5,318,875.39</u>	<u>261,738.09</u>
LIABILITIES:				
Summer Savings	-	261,177.65	-	261,177.65
Interfund payable	-	-	-	-
Payroll deductions and withholdings	1,467.35	5,579,146.13	5,318,875.39	261,738.09
Total liabilities	<u>1,467.35</u>	<u>5,579,146.13</u>	<u>5,318,875.39</u>	<u>261,738.09</u>

LONG-TERM DEBT

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**City of North Wildwood School District
Long-Term Debt
Schedule of Serial Bonds
June 30, 2016**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
School Refunding Bonds	6/4/13	1,095,000	2/1/17	180,000.00	1.75%	730,000.00		185,000.00	545,000.00
			2/1/18	180,000.00	2.00%				
			2/1/19	185,000.00	2.25%				
						\$ 730,000.00		185,000.00	545,000.00

**City of North Wildwood School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	198,687.00		198,687.00	198,687.00	-
	<u>198,687.00</u>	<u>-</u>	<u>198,687.00</u>	<u>198,687.00</u>	<u>-</u>
Total Revenues	198,687.00	-	198,687.00	198,687.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	13,688.00	-	13,688.00	13,687.50	0.50
Redemption of Principal	185,000.00	-	185,000.00	185,000.00	-
	<u>198,688.00</u>	<u>-</u>	<u>198,688.00</u>	<u>198,687.50</u>	<u>0.50</u>
Total expenditures	198,688.00	-	198,688.00	198,687.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	(0.50)	0.50
Fund Balance, July 1	1.40		1.40	1.40	-
Fund Balance, June 30	<u>0.40</u>	<u>-</u>	<u>0.40</u>	<u>0.90</u>	<u>0.50</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>(1.00)</u>		<u>(1.00)</u>	<u>0.90</u>	<u>1.90</u>

Statistical Section

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

	For the Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	3,439,821.00	3,681,164.00	4,034,363.00	4,384,275.00	4,053,129.00	4,666,845.00	5,104,369.00	5,117,445.00	5,145,525.00	5,097,174.23
Restricted	452,004.00	383,873.00	680,627.00	1,666,063.00	2,184,374.00	1,875,610.00	1,775,786.00	2,133,292.00	2,168,315.00	2,179,467.30
Unrestricted	357,140.00	578,304.00	886,169.00	(19,560.00)	215,167.00	556,075.00	616,164.00	(125,727.00)	(1,825,247.00)	(2,044,642.48)
Total governmental activities net position	4,248,965.00	4,643,341.00	5,601,159.00	6,030,778.00	6,452,670.00	7,098,530.00	7,496,319.00	7,125,010.00	5,488,593.00	5,231,999.05
Business-type activities										
Net investment in capital assets	5,973.00	15,050.00	59,808.00	42,887.00	28,723.00	28,453.00	28,082.00	26,759.00	29,100.00	24,684.02
Unrestricted	5,973.00	15,050.00	59,808.00	42,887.00	28,723.00	28,453.00	28,082.00	26,759.00	29,100.00	24,684.02
Total business-type activities net position										
District-wide										
Net investment in capital assets	3,439,821.00	3,681,164.00	4,034,363.00	4,384,275.00	4,053,129.00	4,666,845.00	5,104,369.00	5,117,445.00	5,145,525.00	5,097,174.23
Restricted	452,004.00	383,873.00	680,627.00	1,666,063.00	2,184,374.00	1,875,610.00	1,775,786.00	2,133,292.00	2,168,315.00	2,179,467.30
Unrestricted	363,113.00	593,354.00	945,977.00	23,327.00	243,890.00	584,528.00	644,246.00	(98,968.00)	(1,796,147.00)	(2,019,958.46)
Total district net position	4,254,938.00	4,658,391.00	5,660,967.00	6,073,665.00	6,481,393.00	7,126,983.00	7,524,401.00	7,151,769.00	5,517,693.00	5,256,683.07

Source: CAFR Schedule A-1

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

	Fiscal Year End June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	3,310,579.00	2,625,157.00	2,607,917.00	2,706,992.00	3,040,110.00	2,646,185.00	2,811,749.00	3,147,845.00	4,135,479.00	4,085,763.39
Special education	606,939.00	1,373,585.00	1,055,870.00	1,125,527.00	1,163,252.00	1,048,370.00	1,121,326.00	473,773.00	594,056.00	655,333.79
Other special instruction	293,482.00	223,126.00	378,571.00	377,665.00	427,572.00	442,881.00	449,528.00	411,615.00	551,700.00	661,991.67
Support Services:										
Tuition	2,139,839.00	1,611,681.00	1,463,720.00	1,717,877.00	1,684,553.00	1,631,295.00	1,103,392.00	1,810,373.00	1,522,909.00	1,418,719.80
Student & instruction related services	1,511,146.00	1,553,354.00	1,269,119.00	1,300,517.00	1,330,729.00	1,441,191.00	1,487,216.00	1,379,638.00	1,612,507.00	1,854,172.42
Other administrative services	472,696.00	441,237.00	406,039.00	453,178.00	458,211.00	466,898.00	512,403.00	276,396.00	325,769.00	342,891.20
School administrative services	66,900.00	68,694.00	67,405.00	69,839.00	72,612.00	81,282.00	84,578.00	82,432.00	92,584.00	101,553.90
Business administrative services	-	-	-	-	-	-	-	193,452.00	242,151.00	273,619.38
Plant operations and maintenance	637,913.00	647,930.00	665,687.00	694,323.00	696,209.00	740,308.00	796,769.00	790,451.00	882,588.00	1,145,364.41
Pupil transportation	182,558.00	189,170.00	145,044.00	168,029.00	109,930.00	81,781.00	128,107.00	215,937.00	102,106.00	129,233.08
Special Schools								13,650.00	13,500.00	13,575.00
Capital Outlay	93,824.00	87,811.00	81,568.00	77,093.00	72,941.00	60,414.00	44,495.00	16,117.00	23,187.00	20,751.09
Interest on long-term debt								53,516.00	-	64,920.92
Unallocated depreciation								16,117.00	23,187.00	20,751.09
Total governmental activities expenses	<u>9,315,876.00</u>	<u>8,821,745.00</u>	<u>8,140,940.00</u>	<u>8,691,040.00</u>	<u>9,056,119.00</u>	<u>8,640,605.00</u>	<u>8,539,563.00</u>	<u>8,865,095.00</u>	<u>10,098,536.00</u>	<u>10,767,890.05</u>
Business-type activities:										
Food service	139,947.00	132,786.00	108,220.00	126,591.00	129,409.00	126,415.00	107,538.00	121,195.00	118,983.00	122,064.76
Total business-type activities expense	<u>139,947.00</u>	<u>132,786.00</u>	<u>108,220.00</u>	<u>126,591.00</u>	<u>129,409.00</u>	<u>126,415.00</u>	<u>107,538.00</u>	<u>121,195.00</u>	<u>118,983.00</u>	<u>122,064.76</u>
Total district expenses	<u>9,455,823.00</u>	<u>8,954,531.00</u>	<u>8,249,160.00</u>	<u>8,817,631.00</u>	<u>9,185,528.00</u>	<u>8,767,020.00</u>	<u>8,647,101.00</u>	<u>8,986,290.00</u>	<u>10,217,519.00</u>	<u>10,889,954.81</u>
Program Revenues										
Governmental activities:										
Charges for services	891,849.00	609,831.00	742,639.00	832,520.00	1,230,154.00	977,483.00	747,543.00	675,000.00	891,409.00	772,000.00
Operating grants and contributions	930,293.00	881,205.00	517,152.00	582,741.00	634,451.00	638,447.00	617,723.00	1,172,788.00	2,254,269.00	2,515,831.71
Capital grants and contributions	13,961.00	15,762.00	2,721.00	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>1,836,103.00</u>	<u>1,506,798.00</u>	<u>1,262,512.00</u>	<u>1,415,261.00</u>	<u>1,864,605.00</u>	<u>1,615,930.00</u>	<u>1,365,266.00</u>	<u>1,847,788.00</u>	<u>3,145,678.00</u>	<u>3,287,831.71</u>

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

	Fiscal Year End June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services										
Food service	33,611.00	48,301.00	51,971.00	50,645.00	50,095.00	45,864.00	33,859.00	38,507.00	34,070.00	31,996.16
Operating grants and contributions	53,483.00	56,027.00	56,961.00	58,949.00	65,118.00	62,266.00	55,804.00	63,361.00	59,250.00	55,648.98
Total business type activities program revenues	87,094.00	104,328.00	108,932.00	109,594.00	115,213.00	108,130.00	89,663.00	101,868.00	93,320.00	87,645.14
Total district program revenues	1,923,197.00	1,611,126.00	1,371,444.00	1,524,855.00	1,979,818.00	1,724,060.00	1,454,929.00	1,949,656.00	3,238,998.00	3,375,476.85
Net (Expense)/Revenue										
Governmental activities	(7,479,773.00)	(7,314,947.00)	(6,878,428.00)	(7,275,779.00)	(7,191,514.00)	(7,024,675.00)	(7,174,297.00)	(7,017,307.00)	(6,952,858.00)	(7,480,058.34)
Business-type activities	(52,853.00)	(28,458.00)	712.00	(16,997.00)	(14,196.00)	(18,285.00)	(17,875.00)	(19,327.00)	(25,863.00)	(34,419.62)
Total district-wide net expense	(7,532,626.00)	(7,343,405.00)	(6,877,716.00)	(7,292,776.00)	(7,205,710.00)	(7,042,960.00)	(7,192,172.00)	(7,036,634.00)	(6,978,521.00)	(7,514,477.96)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	5,817,655.00	6,141,963.00	6,207,000.00	6,191,647.00	6,226,245.00	6,150,979.00	5,906,960.00	5,777,639.00	6,131,619.00	6,376,567.00
Taxes levied for debt service	225,824.00	224,811.00	223,568.00	222,093.00	260,387.00	218,449.00	211,280.00	204,112.00	181,090.00	198,687.00
Unrestricted grants and contributions	1,269,107.00	1,285,155.00	1,392,606.00	1,167,682.00	1,230,154.00	1,285,060.00	1,350,330.00	662,643.00	670,891.00	673,232.00
Investment earnings	65,785.00	47,758.00	22,534.00	8,279.00	4,499.00	2,688.00	2,514.00	10,904.00	1,471.00	1,548.10
Miscellaneous income	43,669.00	47,143.00	34,538.00	115,696.00	55,274.00	31,357.00	118,501.00	8,700.00	32,220.00	8,940.92
Transfers	(39,844.00)	(37,507.00)	(44,000.00)	(44,000.00)	(44,000.00)	(18,000.00)	(17,500.00)	(18,000.00)	(28,000.00)	(30,000.00)
Total governmental activities	7,382,196.00	7,709,323.00	7,836,246.00	7,705,397.00	7,776,559.00	7,670,533.00	7,572,085.00	6,645,998.00	6,989,291.00	7,228,975.02
Business-type activities:										
Investment earnings	22.00	28.00	44.00	76.00	33.00	15.00	4.00	4.00	4.00	3.50
Transfers	39,844.00	37,507.00	44,000.00	44,000.00	44,000.00	18,000.00	17,500.00	18,000.00	28,000.00	30,000.00
Total business-type activities	39,866.00	37,535.00	44,044.00	76.00	33.00	18,015.00	17,504.00	18,004.00	28,004.00	30,003.50
Total district-wide	7,422,062.00	7,746,858.00	7,880,290.00	7,705,473.00	7,776,592.00	7,688,548.00	7,589,589.00	6,664,002.00	7,017,295.00	7,258,978.52
Change in Net Position										
Governmental activities	(97,577.00)	394,376.00	957,818.00	429,618.00	585,045.00	645,858.00	397,788.00	(371,309.00)	36,433.00	(251,083.32)
Business-type activities	(12,987.00)	9,077.00	44,756.00	(16,921.00)	(14,163.00)	(270.00)	(371.00)	(1,323.00)	2,341.00	(4,416.12)
Total district	(110,564.00)	403,453.00	1,002,574.00	412,697.00	570,882.00	645,588.00	397,417.00	(372,632.00)	38,774.00	(255,499.44)

Source: CAFR Schedule A-2

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted					1,772,213.00	1,875,610.00	1,768,339.00	1,178,179.00	1,082,428.00	1,265,466.09
Committed					97,340.00	623,811.00	730,831.00	813,199.00	802,470.00	796,752.90
Assigned					351,358.00	86,254.00		141,914.00	283,417.00	117,248.31
Unassigned					215,167.00	202,811.00	209,548.00	211,651.00	215,802.00	221,777.00
Reserved	958,744.00	922,395.00	1,501,773.00	1,707,387.00						
Unreserved	270,508.00	414,894.00	392,528.00	333,740.00						
Total general fund	1,229,252.00	1,337,289.00	1,894,301.00	2,041,127.00	2,436,078.00	2,788,486.00	2,708,718.00	2,344,943.00	2,384,117.00	2,401,244.30
All Other Governmental Funds										
Restricted					(9,982.00)	(11,184.00)	(2,840.00)			
Reserved										
Unassigned	8,143.00									
Unreserved, reported in:										
Special revenue fund	(22,811.00)	(26,073.00)	(16,458.00)	(17,325.00)				(10,710.00)	(9,124.00)	(13,176.00)
Capital projects fund	1,943.00									
Debt service fund										
Total all other governmental funds	(12,725.00)	(26,073.00)	(16,458.00)	(17,325.00)	(9,982.00)	(11,184.00)	(2,840.00)	(10,710.00)	(9,124.00)	(13,176.00)

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

Source: CAFR Schedule B-1

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	6,043,479.00	6,366,774.00	6,430,568.00	6,413,740.00	6,486,632.00	6,369,428.00	6,118,240.00	5,981,751.00	6,312,709.00	6,575,254.00
Tuition charges	891,849.00	609,831.00	742,639.00	832,520.00	1,230,154.00	977,483.00	747,542.00	675,000.00	891,409.00	772,000.00
Interest earnings	65,785.00	47,758.00	22,534.00	8,279.00	4,499.00	2,688.00	2,514.00	10,904.00	1,471.00	1,548.10
Miscellaneous	47,684.00	54,550.00	38,288.00	118,942.00	57,274.00	34,248.00	119,462.00	14,529.00	152,018.00	29,186.90
State sources	1,822,276.00	1,908,936.00	1,617,582.00	1,398,241.00	1,330,021.00	1,527,082.00	1,613,021.00	1,541,611.00	1,646,878.00	1,767,466.43
Federal sources	387,069.00	275,865.00	292,176.00	348,935.00	369,431.00	393,534.00	354,071.00	287,991.00	429,778.00	355,097.30
Total revenue	9,258,142.00	9,263,714.00	9,143,787.00	9,120,657.00	9,478,011.00	9,304,463.00	8,954,850.00	8,511,786.00	9,434,263.00	9,500,552.73
Expenditures										
Instruction										
Regular instruction	2,506,593.00	1,937,246.00	1,955,512.00	1,981,818.00	1,969,525.00	2,007,064.00	2,020,134.00	2,430,666.00	2,651,906.00	2,427,178.73
Special education instruction	298,153.00	990,364.00	773,356.00	857,492.00	907,588.00	795,162.00	805,629.00	365,598.00	379,241.00	389,306.01
Other special instruction	206,175.00	149,519.00	279,334.00	277,074.00	290,865.00	324,994.00	310,469.00	317,632.00	352,201.00	393,261.17
Support Services:										
Tuition	2,098,061.00	1,581,864.00	1,414,839.00	1,714,852.00	1,684,553.00	1,616,948.00	1,103,392.00	1,397,018.00	1,522,909.00	1,418,719.80
Student & instruction related services	1,189,110.00	1,184,531.00	1,016,225.00	996,806.00	1,017,736.00	1,093,107.00	1,068,508.00	1,066,480.00	1,029,412.00	1,101,485.19
General administrative services	381,855.00	366,063.00	351,060.00	350,866.00	351,402.00	354,130.00	368,142.00	213,287.00	229,665.00	214,950.51
School Administrative services	52,816.00	54,843.00	54,417.00	54,046.00	57,020.00	61,650.00	60,766.00	63,610.00	65,271.00	63,661.77
Business administrative services								149,282.00	170,716.00	171,525.62
Plant operations and maintenance	534,153.00	546,045.00	564,920.00	576,647.00	585,246.00	572,251.00	594,596.00	609,970.00	622,219.00	718,002.28
Pupil transportation	182,558.00	189,170.00	145,044.00	168,029.00	109,930.00	81,781.00	128,107.00	168,556.00	102,106.00	129,233.08
Unallocated employee benefits	1,604,175.00	1,660,696.00	1,371,736.00	1,484,714.00	1,519,825.00	1,563,827.00	1,800,473.00	1,727,672.00	1,972,856.00	2,152,969.92
Special Schools	14,274.00	29,817.00	22,336.00	9,141.00	10,200.00	10,920.00	12,500.00	13,650.00	13,500.00	13,575.00
Charter Schools	41,778.00	17,313.00	48,881.00	3,026.00		14,347.00				
Capital outlay	103,978.00	189,151.00	311,931.00	278,095.00	351,443.00	220,527.00	524,880.00	147,300.00	57,563.00	64,920.92
Debt service:										
Principal	130,000.00	135,000.00	140,000.00	145,000.00	150,000.00	155,000.00	155,000.00	185,000.00	180,000.00	185,000.00
Interest and other charges	95,824.00	89,811.00	83,568.00	77,093.00	70,386.00	63,449.00	56,280.00	11,710.00	15,938.00	13,687.50
Total expenditures	9,439,503.00	9,121,433.00	8,533,159.00	8,974,699.00	9,075,719.00	8,935,157.00	9,008,876.00	8,865,431.00	9,365,503.00	9,457,477.50
Excess (Deficiency) of revenues over (under) expenditures	(181,361.00)	142,281.00	610,628.00	145,958.00	402,292.00	369,306.00	(54,026.00)	(353,645.00)	68,760.00	43,075.23
Other Financing sources (uses)										
Cancellation of prior year receivable		(10,086.00)								
Transfers in			1.00							
Transfers out	(39,844.00)	(37,507.00)	(44,001.00)	-	-	(18,000.00)	(17,500.00)	(18,000.00)	(28,000.00)	(30,000.00)
Total other financing sources (uses)	(39,844.00)	(47,593.00)	(44,000.00)	-	-	(18,000.00)	(17,500.00)	(18,000.00)	(28,000.00)	(30,000.00)
Net change in fund balances	(221,205.00)	94,688.00	566,628.00	145,958.00	402,292.00	351,306.00	(71,526.00)	(371,645.00)	40,760.00	13,075.23
Debt service as a percentage of noncapital expenditures	2.42%	2.52%	2.72%	2.55%	2.53%	2.51%	2.49%	2.26%	2.11%	2.12%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2007	65,785.00	891,849.00	43,669.00	1,001,303.00
2008	47,758.00	609,831.00	54,550.00	712,139.00
2009	22,534.00	742,639.00	38,288.00	803,461.00
2010	19,734.00	832,520.00	107,488.00	959,742.00
2011	16,528.00	1,230,154.00	45,246.00	1,291,928.00
2012	2,688.00	977,483.00	31,357.00	1,011,528.00
2013	2,514.00	747,542.00	111,056.00	861,112.00
2014	10,904.00	675,000.00	8,700.00	694,604.00
2015	1,471.00	891,409.00	32,220.00	925,100.00
2016	1,548.10	772,000.00	8,940.92	782,489.02

Source: District Records

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

Fiscal Year Ended June 30,	Firm				Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Reg.	Qfarm								
2007	76,613,200.00	2,940,213,200.00			393,328,300.00	67,648,000.00	3,477,802,700.00	-	743,549.00	3,478,546,249.00	0.178	2,843,099,226.00
2008	69,472,400.00	3,042,451,375.00			394,785,300.00	63,952,100.00	3,530,661,175.00	-	796,315.00	3,531,457,490.00	0.183	3,151,513,762.00
2009	54,060,600.00	3,083,034,000.00			351,901,300.00	59,245,500.00	3,548,241,400.00	-	861,912.00	3,549,103,312.00	0.183	3,275,702,917.00
2010	58,190,200.00	3,047,917,100.00			339,914,300.00	57,494,500.00	3,503,516,100.00	-	837,778.00	3,504,353,878.00	0.181	3,091,959,519.00
2011	37,159,400.00	2,393,983,800.00			279,924,500.00	40,757,200.00	2,751,824,900.00	-	681,208.00	2,752,506,108.00	0.186	3,004,938,527.00
2012	35,211,800.00	2,381,552,500.00			278,853,700.00	41,089,400.00	2,736,707,400.00	-	665,816.00	2,737,373,216.00	0.232	2,818,095,972.00
2013	39,188,900.00	2,368,078,800.00			277,243,700.00	41,500,100.00	2,726,011,500.00	-	642,933.00	2,726,654,433.00	0.224	2,735,769,610.00
2014	33,131,200.00	2,374,440,500.00			270,180,500.00	38,937,600.00	2,716,689,800.00	-	463,570.00	2,717,153,370.00	0.220	2,717,153,370.00
2015	35,770,700.00	2,365,649,100.00			256,223,900.00	36,454,200.00	2,694,097,900.00	-	469,828.00	2,694,567,728.00	0.245	2,694,567,728.00
2016	35,064,000.00	2,274,419,400.00			241,340,700.00	30,825,000.00	2,581,649,100.00	-	454,257.00	2,582,103,357.00	0.268	2,582,103,357.00

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	City of North Wildwood Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt		Municipal Local Purpose	Cape May County	Total Direct and Overlapping Tax Rate	
		Service ^b	Total Direct				
2007	0.176	0.007	0.183	0.392	0.155	0.730	
2008	0.177	0.006	0.183	0.432	0.170	0.785	
2009	0.175	0.006	0.181	0.450	0.185	0.816	
2010	0.180	0.006	0.186	0.472	0.187	0.845	
2011	0.224	0.008	0.232	0.600	0.240	1.072	
2012	0.216	0.008	0.224	0.612	0.238	1.074	
2013	0.212	0.008	0.220	0.612	0.246	1.078	
2014	0.226	0.007	0.233	0.625	0.243	1.101	
2015	0.238	0.007	0.245	0.644	0.239	1.128	
2016	0.260	0.008	0.268	0.698	0.252	1.218	

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Youschak Properties, LLC	14,000,000.00	1	0.54%	22,200,000.00	3	0.64%
The Morey Organization	9,661,700.00	2	0.37%			0.00%
Sportland Investments	6,301,900.00	4	0.24%	12,228,100.00	9	0.35%
Will & Bill Morey Enterprises, Inc.				25,837,500.00	2	0.74%
Taxpayer #1	5,130,000.00	7	0.20%			0.00%
Kings Inn Motel	5,500,000.00	6	0.21%			0.00%
W & E Enterprises	4,499,000.00	10	0.17%	15,079,900.00	7	0.43%
Wyoming Properties, INC.	6,350,000.00	3	0.25%			0.00%
Matador Motel, INC.	5,860,000.00	5	0.23%			0.00%
North Point Developers, LLC	4,689,800.00	9	0.18%			
Wildwood Grocery Owners, LLC	4,979,800.00	8	0.19%			0.00%
The Engel Group, LLC				21,931,200.00	4	0.63%
Thunderbird Development, LLC				12,255,400.00	10	0.35%
Beazer Homes Corp.				31,036,475.00	1	0.89%
Surf Song of NW, LLC				16,210,000.00	5	0.47%
K Hovnanian at NW, LLC				16,062,900.00	6	0.46%
Beach Creek Marina, INC.				14,591,300.00	8	0.42%
Total	<u>66,972,200.00</u>		<u>2.59%</u>	<u>187,432,775.00</u>		<u>5.39%</u>

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

2,582,103,357.00

3,478,546,249.00

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	6,043,479.00	6,043,479.00	100%	-
2008	6,366,774.00	6,366,774.00	100%	-
2009	6,430,568.00	6,430,568.00	100%	-
2010	6,413,740.00	6,413,740.00	100%	-
2011	6,486,632.00	6,486,632.00	100%	-
2012	6,369,428.00	6,369,428.00	100%	-
2013	6,118,240.00	6,118,240.00	100%	-
2014	5,981,751.00	5,981,751.00	100%	-
2015	6,312,709.00	6,312,709.00	100%	-
2016	6,575,254.00	6,575,254.00	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	1,926,000.00	-	-	-	-	1,926,000.00	0.863%	395
2008	1,791,000.00	-	-	-	-	1,791,000.00	0.778%	370
2009	1,651,000.00	-	-	-	-	1,651,000.00	0.714%	342
2010	1,506,000.00	-	-	-	-	1,506,000.00	0.765%	373
2011	1,356,000.00	-	-	-	-	1,356,000.00	0.665%	339
2012	1,201,000.00	-	-	-	-	1,201,000.00	0.567%	301
2013	1,095,000.00	-	-	-	-	1,095,000.00	0.512%	276
2014	910,000.00	-	-	-	-	910,000.00	0.429%	231
2015	730,000.00	-	-	-	-	730,000.00	0.344%	186
2016	545,000.00	-	-	-	-	545,000.00	0.248%	129

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	1,926,000.00	-	1,926,000.00	0.07%	395
2008	1,791,000.00	-	1,791,000.00	0.06%	370
2009	1,651,000.00	-	1,651,000.00	0.05%	342
2010	1,506,000.00	-	1,506,000.00	0.05%	373
2011	1,356,000.00	-	1,356,000.00	0.05%	339
2012	1,201,000.00	-	1,201,000.00	0.04%	301
2013	1,095,000.00	-	1,095,000.00	0.04%	276
2014	910,000.00	-	910,000.00	0.03%	231
2015	730,000.00	-	730,000.00	0.03%	186
2016	545,000.00	-	545,000.00	0.02%	129

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

a See Exhibit NJ J-6 for property tax data.

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

City of North Wildwood School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2016
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of North Wildwood	55,718,954.00	100.00%	55,718,954.00
Other debt			
Cape May County	181,705,599.64	5.37%	9,752,734.00
Subtotal, overlapping debt			65,471,688.00
City of North Wildwood School District debt	545,000.00	100.00%	545,000.00
Total direct and overlapping debt			<u><u>66,016,688.00</u></u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of North Wildwood. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

City of North Wildwood School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
Unaudited

		Legal Debt Margin Calculation for Fiscal Year 2016									
		Equalized valuation basis									
		2015									
		2014									
		2013									
		<u>7,715,179,146</u>									
		<u>2,571,726,382</u>									
		Average equalized valuation of taxable property									
		Debt limit (3% of average) equalization									
		Net bonded school debt									
		Legal debt margin									
		<u>77,151,791</u>									
		<u>545,000</u>									
		<u>76,606,791</u>									

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	62,827,329.00	78,315,457.00	91,160,385.00	94,715,589.00	93,714,719.00	89,349,644.00	85,520,751.00	81,980,788.00	79,248,006.00	77,151,791.46
Total net debt applicable to limit	<u>1,926,000.00</u>	<u>1,791,000.00</u>	<u>1,651,000.00</u>	<u>1,506,000.00</u>	<u>1,356,000.00</u>	<u>1,201,000.00</u>	<u>1,095,000.00</u>	<u>910,000.00</u>	<u>730,000.00</u>	<u>545,000.00</u>
Legal debt margin	<u>60,901,329.00</u>	<u>76,524,457.00</u>	<u>89,509,385.00</u>	<u>93,209,589.00</u>	<u>92,358,719.00</u>	<u>88,148,644.00</u>	<u>84,425,751.00</u>	<u>81,070,788.00</u>	<u>78,518,006.00</u>	<u>76,606,791.46</u>
Total net debt applicable to the limit as a percentage of debt limit	3.07%	2.29%	1.81%	1.59%	1.45%	1.34%	1.28%	1.11%	0.92%	0.71%

Note: In instances where the District's debt margin is exceeded, the District uses the City debt margin.

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2007	4,872	223,157.09	45,804.00	11.00%
2008	4,843	230,129.67	47,518.00	13.40%
2009	4,822	231,267.94	47,961.00	18.70%
2010	4,039	196,816.43	48,729.00	19.40%
2011	4,003	203,784.72	50,908.00	20.30%
2012	3,994	211,961.58	53,070.00	19.20%
2013	3,965	213,840.38	53,932.00	21.60%
2014	3,934	212,168.49	53,932.00	14.20%
2015	3,934	212,168.49	53,932.00	18.40%
2016	4,239	219,631.07	51,812.00	9.90%

Source:

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

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

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

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

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

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction	38.0	36.0	37.0	37.0	37.0	36.0	36.0	36.0	36.0	36.0
Regular	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Special education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other special education instruction	8.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0
Other instruction	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.5	5.5
Nonpublic school programs										
Support Services:										
Student & instruction related services	7.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
General administrative services	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Plant operations and maintenance	7.0	7.0	7.0	7.0	7.0	6.0	7.0	7.0	7.0	6.0
Food Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	78.0	74.0	74.0	74.0	74.0	72.0	74.0	76.0	77.5	76.5

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2007	316	7,993,222.00	25,295.01	18.85%	51	6:1		313	290	0.97%	92.65%
2008	308	9,109,703.00	29,576.96	16.93%	51	6:1		337	313	7.67%	92.88%
2009	317	8,707,471.00	27,468.36	-7.13%	51	6:1		316	291	-6.23%	92.09%
2010	317	7,997,662.00	25,229.22	-8.15%	51	6:1		320	298	1.27%	93.13%
2011	320	8,474,510.00	26,482.84	4.97%	51	6:1		317	292	-0.94%	92.11%
2012	299	8,503,889.00	28,441.10	7.39%	51	6:1		308	288	-2.84%	93.51%
2013	309	8,496,181.00	27,495.73	-3.32%	51	6:1		313	291	1.62%	92.97%
2014	317	8,272,715.00	26,096.89	-5.09%	52	6:1		320	300	2.24%	93.75%
2015	295	8,521,421.00	28,886.17	10.69%	52	6:1		301	283	-5.94%	94.02%
2016	268	9,193,869.08	34,305.48	18.76%	52	5:1		271	254	-9.97%	93.73%

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

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay, Schedule J-1

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

<u>District Building</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Elementary</u>										
Charles L. Spragg School (1955)	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811
Square Feet	538	538	538	538	538	538	538	538	538	538
Capacity (students)	316	308	317	317	320	299	309	317	295	295
Enrollment										

Number of District Buildings at June 30, 2016
 Elementary = 1
 Middle School = 0

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Margaret Mace School	N/A	68,931.00	67,613.00	55,392.00	58,586.00	58,640.00	57,842.00	34,396.00	45,084.00	49,855.00	177,552.76
Grand Total		<u>68,931.00</u>	<u>67,613.00</u>	<u>55,392.00</u>	<u>58,586.00</u>	<u>58,640.00</u>	<u>57,842.00</u>	<u>34,396.00</u>	<u>45,084.00</u>	<u>49,855.00</u>	<u>177,552.76</u>

**City of North Wildwood School District
Insurance Schedule
June 30, 2016
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building & Contents	150,000,000.00	500
Comprehensive General Liability and Automobile	20,000,000.00	
Comprehensive Crime Coverage	500,000.00	500
Boiler and Machinery - ACCASBOJIF		
Property Damage	125,000,000.00	1,000
Workers; Compensation - ACCASBOJIF		
Coverage A	Statutory	
Educator's Legal Liability - ACCASBOJIF	20,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000
Cyber Liability	1,000,000.00	25,000
Violent Malicious Acts	1,000,000.00	15,000

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

Source: District Records.

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Wildwood School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of North Wildwood School District's basic financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of North Wildwood School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

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

Purpose of this Report

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

Very truly yours,

Ford, Scott & Associates, L.L.C.

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

Leon P. Costello

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

November 18, 2016



F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

C E R T I F I E D P U B L I C A C C O U N T A N T S

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Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the City of North Wildwood School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of North Wildwood School District's major state programs for the year ended June 30, 2016. The City of North Wildwood School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of North Wildwood School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance, and New Jersey OMB 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of North Wildwood School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion the City of North Wildwood School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the City of North Wildwood School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of North Wildwood School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of North Wildwood School District's internal control over compliance.

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

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

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

Very truly yours,

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

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

November 18, 2016

City of North Wilkesboro School District
Sales and Financial Statements
For the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Accounts Receivable		Unearned Revenue	Carryover/ (Waiver) Amount	Cash Received	Pass Through		Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2016
						June 30, 2015	June 30, 2016				Pass Through	Direct					
U.S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund: 10.563 Program	16161N1304N1039		N/A	7/1/15-6/30/16	5,033.48	\$				4,228.88	(5,033.48)				(304.60)		
10.563 School Breakfast Program	16161N1304N1039		N/A	7/1/14-6/30/15	4,835.00		(286.21)		236.21								
10.565 National School Lunch Program	16161N1304N1039		N/A	7/1/14-6/30/15	48,897.41		(4,258.86)		45,857.71	(48,587.41)					(3,729.70)		
10.565 National School Lunch Program	16161N1304N1039		N/A	7/1/14-6/30/15	53,358.00				4,828.86								
Total Enterprise Fund					64,544.07				55,130.66	(54,620.89)					(4,094.30)		
Passed-through State Department of Education:																	
Special Revenue Fund: Title I, Part A	84370A	S0104150030	NCLB-3680-15	7/1/15-6/30/16	172,884.00		(18,155.04)	12,710.24	86,284.00	(120,093.23)					(84,720.00)	66,601.01	
Title I, Part A	84370A	S0104150030	NCLB-3680-14	7/1/14-6/30/15	156,950.00		(18,155.04)	(12,710.24)	19,013.00	(120,093.23)					(84,836.28)	66,601.01	
Total NCLB, Title I					329,834.00				105,297.00	(240,186.46)					(169,556.28)	133,202.02	
Title II, Part A	84387A	S367A1500219	NCLB-3680-15	7/1/15-6/30/16	78,884.00				31,658.64	(35,634.29)					(47,105.36)	43,329.71	
Title II, Part A	84387A	S367A1500219	NCLB-3680-14	7/1/14-6/30/15	84,600.00				6,696.36	(35,634.29)					(47,105.36)	43,329.71	
Total Title II, Part A					163,484.00				38,355.00	(71,268.58)					(94,210.72)	86,659.42	
IDEA, Part B - Basic	84027	H027A150100	IDEA-3680-16	7/1/15-6/30/16	214,160.00				187,343.66	(196,087.78)					(208,816.34)	18,072.22	
IDEA, Part B - Basic	84027	H027A150100	IDEA-3680-15	7/1/14-6/30/15	234,754.00		(41,576.34)		41,575.34	(4,262.00)					(312.00)	312.00	
IDEA, Part B - Preschool	84173	H125A150104	IDEA-3680-16	7/1/15-6/30/16	4,713.00				4,713.00								
IDEA, Part B - Preschool	84173	H125A150114	IDEA-3680-15	7/1/14-6/30/15	4,713.00				4,713.00								
Total IDEA, Part B					428,330.00				238,344.00	(200,349.78)					(209,128.34)	18,384.22	
Total Special Revenue Fund					\$ 70,488.74				384,842.00	(355,097.30)					(159,069.88)	128,314.94	
Total Federal Financial Awards					\$ 75,063.81				469,972.66	(469,718.19)					(165,104.28)	128,314.94	

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

City of North Wildwood School District
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015	Carryover/(Walkover) Amount	Balance at June 30, 2016			Repayment of Prior Year's Balances	MEMO
						(Accounts Receivable)	Unearned Revenue	Due to Grantor		
			Cash Received	Budgetary Expenditures	Adjustment				Budgetary Receivable	Cumulative Total Expenditures
State Department of Education										
General Fund										
Categorical Special Education Aic	16-495-034-5120-089	7/1/15-6/30/16	154,606.00	\$ -	-	154,606.00	(154,606.00)		(6,544.45)	154,606.00
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	59,917.00	-	-	59,917.00	(59,917.00)		(2,536.28)	59,917.00
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	396,411.00	-	-	396,411.00	(396,411.00)		(16,780.02)	396,411.00
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	49,606.00	-	-	49,606.00	(49,606.00)		(2,099.81)	49,606.00
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	3,100.00	-	-	3,100.00	(3,100.00)		(131.22)	3,100.00
PAFCC-Related	16-495-034-5120-088	7/1/15-6/30/16	14,565.00	-	-	14,565.00	(14,565.00)		(3,116.60)	14,565.00
Remuneral TPAF Social Security Contributions	16-495-034-5034-003	7/1/15-6/30/16	255,108.07	-	-	255,108.07	(255,108.07)		(131.22)	255,108.07
Total General Fund			921,848.07	-	-	(921,848.07)	-	-	(28,223.00)	921,848.07
Special Revenue Fund:										
Preschool Aid	16-495-034-5054-085	7/1/15-6/30/16	131,759.00	-	-	131,759.00	(131,759.00)			131,759.00
Textbook Aid	13-495-034-5064-086	7/1/12-6/30/13	177,876.00	3,042.24	-	177,876.00	-	3,042.24	(13,176.00)	177,876.00
Character Education	07-495-034-5120-053	7/1/06-6/30/08	4,000.00	777.45	-	4,000.00	-	777.45		4,777.45
Homebound Instruction	08-495-034-5120-053	7/1/07-6/30/08	4,000.00	395.12	-	4,000.00	-	395.12		4,395.12
Homebound Instruction	N/A	7/1/15-6/30/16	1,155.00	(1,155.00)	-	-	(1,470.00)		(1,470.00)	1,470.00
Homebound Instruction	N/A	7/1/14-6/30/15	1,155.00	-	-	-	-			1,155.00
NU Nonpublic Aid	16-100-034-5120-064	7/1/15-6/30/16	19,643.00	-	-	19,643.00	(19,637.76)		5.24	19,637.76
Technology Aid	15-100-034-5120-064	7/1/14-6/30/15	20,853.00	128.46	-	20,853.00	-	(128.46)		20,724.00
Technology Aid	16-100-034-5120-064	7/1/15-6/30/16	31,950.00	-	-	31,950.00	(31,699.93)		260.07	31,699.93
Nursing	15-100-034-5120-070	7/1/14-6/30/15	33,198.00	3,163.92	-	33,198.00	-	(3,163.92)		33,198.00
Technology Aid	16-100-034-5120-073	7/1/15-6/30/16	8,944.00	-	-	8,944.00	(8,010.80)		933.20	8,010.80
Technology Aid	15-100-034-5120-073	7/1/14-6/30/15	11,200.00	2,942.33	-	11,200.00	-	(2,942.33)		8,257.67
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	8,875.00	-	-	8,875.00	(8,875.00)			8,875.00
Security Aid	16-100-034-5120-067	7/1/15-6/30/16	11,371.00	530.00	-	11,371.00	(11,371.00)			11,371.00
Security Aid	14-100-034-5120-067	7/1/14-6/30/15	10,249.00	-	-	10,249.00	-	(528.20)		9,719.00
Handicapped Services	16-100-034-5120-068	7/1/15-6/30/16	22,846.00	-	-	22,846.00	(15,083.46)		7,762.54	15,083.46
Examination and Classifier	15-100-034-5120-088	7/1/14-6/30/15	27,378.00	19,105.14	-	27,378.00	-	(19,105.14)		8,273.00
Examination and Classifier	16-100-034-5120-088	7/1/15-6/30/16	9,950.00	6,496.00	-	9,950.00	(7,075.00)		2,875.00	7,075.00
Supplemental Instruction	15-100-034-5120-088	7/1/14-6/30/15	49,916.00	-	-	49,916.00	-	(6,496.00)		43,420.00
Supplemental Instruction	16-100-034-5120-088	7/1/15-6/30/16	49,916.00	41,202.95	-	49,916.00	(28,967.41)		20,948.59	28,967.41
Compensatory Education	15-100-034-5120-068	7/1/14-6/30/15	63,602.00	-	-	63,602.00	-	(41,202.95)		22,400.00
Compensatory Education	15-100-034-5120-068	7/1/14-6/30/15	63,602.00	-	-	63,602.00	-	(41,202.95)		22,400.00
Total Special Revenue Fund			283,234.00	76,629.61	-	(283,940.35)	-	(73,568.00)	(13,176.00)	528,022.36
State Department of Agriculture										
Enterprise Fund:										
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15-6/30/16	1,028.09	(89.76)	-	938.33	(1,028.09)		(78.00)	1,028.09
National School Lunch Program (State Share)	15-100-010-3350-023	7/1/14-6/30/15	1,127.00	-	-	1,127.00	-			1,127.00
Total Enterprise Fund			1,028.09	(89.76)	-	(1,028.09)	-	-	(78.00)	1,028.09
Total State Financial Assistance			1,206,121.92	76,539.85	-	(1,186,816.52)	-	(73,568.00)	(41,399.00)	1,450,898.52

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

City of North Wildwood School District
Notes to the Schedules of Financial Assistance
June 30, 2016

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is \$444,760 for the general fund and \$266 for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**City of North Wildwood School District
Notes to the Schedules of Financial Assistance
June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$921,848.07	360,300	3,694.25	1,285,842.32
Difference – budget to "GAAP" On-behalf payments recognized for GAAP statements but not included in the Schedule of Financial Assistance	579,238.00			579,238.00
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	34,198.00	9,124.00		43,322.00
State aid payments recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(28,223.00)	(13,176.00)		(41,399.00)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position	<u>\$1,507,061.07</u>	<u>356,248.00</u>	<u>3,694.25</u>	<u>1,867,003.32</u>

**City of North Wildwood School District
Notes to the Schedules of Financial Assistance
June 30, 2016**

	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Local Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$18,925.98		18,925.98
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			-
<hr/>			
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position	<u>18,925.98</u>	-	<u>18,925.98</u>
Federal Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	355,097.30	54,620.89	409,718.19
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
<hr/>			
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances/net position	<u>\$355,097.30</u>	<u>54,620.89</u>	<u>409,718.19</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I -- Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

NOT APPLICABLE

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

G) Identification of major programs:

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

H) Dollar threshold used to determine Type A programs: _____

I) Auditee qualified as low-risk auditee? _____ yes _____ no _____ n/a

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I -- Summary of Auditor's Results

State Awards Section

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

M) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-089	Categorical Special Education Aid
16-495-034-5120-084	Categorical Security Aid
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

N) Dollar threshold used to determine Type A programs: _____ \$750,000 _____

O) Auditee qualified as low-risk auditee? X yes _____ no _____ n/a

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part 2 – Schedule of Financial Statement Findings

In accordance with *Government Auditing Standards*, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

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

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Our audit disclosed no matters to be reported.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.