

Comprehensive Annual Financial Report

of the

**Borough of West Wildwood
School District**

West Wildwood, New Jersey

**For The Fiscal Year Ended
June 30, 2016**

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Table of Contents

| INTRODUCTORY SECTION | <u>Page</u> |
|--|--------------------|
| Letter of Transmittal | 2 |
| Organizational Chart | 5 |
| Roster of Officials | 6 |
| Consultants and Advisors | 7 |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 9 |
| Required Supplementary Information – Part I Management’s Discussion and Analysis | 15 |
| Basic Financial Statements | |
| A. Government-Wide Financial Statements: | |
| A-1 Statement of Net Position | 21 |
| A-2 Statement of Activities | 22 |
| B. Fund Financial Statements: | |
| Governmental Funds: | |
| B-1 Balance Sheet | 24 |
| B-2 Statement of Revenues, Expenditures and Changes in Fund Balances | 25 |
| B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | N/A |
| Proprietary Funds: | |
| B-4 Statement of Net Position | N/A |
| B-5 Statement of Revenues, Expenses and Changes in Fund Net Position | N/A |
| B-6 Statement of Cash Flows | N/A |
| Fiduciary Funds: | |
| B-7 Statement of Fiduciary Net Position | N/A |
| B-8 Statement of Changes in Fiduciary Net Position | N/A |
| Notes to the Financial Statements | 26 |
| Required Supplementary Information – Part II | |
| C. Budgetary Comparison Schedules | |
| C-1 Budgetary Comparison Schedule – General Fund | 37 |
| C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual | N/A |
| C-1b Education Jobs Fund Program – Budget and Actual | N/A |
| C-2 Budgetary Comparison Schedule – Special Revenue Fund | N/A |
| C-3 Notes to Required Supplementary Information – Part II Budget-to-GAAP Reconciliation | N/A |

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Table of Contents (Cont'd)

| | <u>Page</u> |
|--|-------------|
| Required Supplementary Information - Part III | |
| L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) | N/A |
| L-2 Schedule of the School District's Contributions Public Employees' Retirement System (PERS) | N/A |
| L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability Teachers' Pension and Annuity Fund (TPAF) | N/A |
| L-4 Schedule of School District Contributions Teachers' Pension and Annuity Fund (TPAF) | N/A |
| L-5 Notes to Required Supplementary Information – Part III | N/A |
| | |
| Other Supplementary Information | |
| D. School Based Budget Schedules: | |
| D-1 Combining Balance Sheet | N/A |
| D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual | N/A |
| D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual | N/A |
| E. Special Revenue Fund: | |
| E-1 Combining Schedules of Program Revenues and Expenditures – Budgetary Basis | N/A |
| E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis | N/A |
| F. Capital Projects Fund: | |
| F-1 Summary Schedule of Project Expenditures | N/A |
| F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis | N/A |
| F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis | N/A |
| G. Proprietary Funds: | |
| Enterprise Fund: | |
| G-1 Combining Statement of Net Position | N/A |
| G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position | N/A |
| G-3 Combining Statement of Cash Flows | N/A |
| Internal Service Fund: | |
| G-4 Combining Statement of Net Position | N/A |
| G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position | N/A |
| G-6 Combining Statement of Cash Flows | N/A |

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Table of Contents (Cont'd)

| | <u>Page</u> |
|--|-------------|
| Other Supplementary Information (Cont'd) | |
| H. Fiduciary Funds: | |
| H-1 Combining Statement of Fiduciary Net Position | N/A |
| H-2 Combining Statement of Changes in Fiduciary Net Position | N/A |
| H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements | N/A |
| H-4 Payroll Agency Fund Schedule of Receipts and Disbursements | N/A |
| I. Long-Term Debt: | |
| I-1 Schedule of Serial Bonds | N/A |
| I-2 Schedule of Obligations under Capital Leases | N/A |
| I-3 Debt Service Fund Budgetary Comparison Schedule | N/A |
| Schedule of Expenditures of State Financial Assistance | |
| K-4 Schedule of Expenditures of State Financial Assistance | 43 |

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

| | |
|---|----|
| J-1 Net Position by Component | 47 |
| J-2 Changes in Net Position | 48 |
| J-3 Fund Balances—Governmental Funds | 49 |
| J-4 Changes in Fund Balances—Governmental Funds | 50 |
| J-5 General Fund Other Local Revenue by Source | 51 |

Revenue Capacity

| | |
|---|----|
| J-6 Assessed Value and Actual Value of Taxable Property | 53 |
| J-7 Direct and Overlapping Property Tax Rates | 54 |
| J-8 Principal Property Taxpayers | 55 |
| J-9 Property Tax Levies and Collections | 56 |

Debt Capacity

| | |
|--|----|
| J-10 Ratios of Outstanding Debt by Type | 58 |
| J-11 Ratios of General Bonded Debt Outstanding | 59 |
| J-12 Direct and Overlapping Governmental Activities Debt | 60 |
| J-13 Legal Debt Margin Information | 61 |

Demographic and Economic Information

| | |
|--|----|
| J-14 Demographic and Economic Statistics | 63 |
| J-15 Principal Employers | 64 |

Operating Information

| | |
|---|----|
| J-16 Full-time Equivalent District Employees by Function/Program | 66 |
| J-17 Operating Statistics | 67 |
| J-18 School Building Information | 68 |
| J-19 Schedule of Required Maintenance Expenditures by School Facility | 69 |
| J-20 Insurance Schedule | 70 |

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Table of Contents (Cont'd)**

| SINGLE AUDIT SECTION | | <u>Page</u> |
|---|--|-------------|
| K-1 | Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | N/A |
| K-2 | Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB | N/A |
| K-3 | Schedule of Expenditures of Federal Awards, Schedule A | N/A |
| K-4 | Schedule of Expenditures of State Financial Assistance, Schedule B | N/A |
| K-5 | Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance | N/A |
| K-6 | Schedule of Findings and Questioned Costs | N/A |
| K-7 | Summary Schedule of Prior Audit Findings | N/A |
| FINDINGS AND RECOMMENDATIONS SECTION | | |
| K-1 | Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 12 |
| K-6 | Schedule of Findings and Recommendations | 72 |
| K-7 | Summary Schedule of Prior Audit Findings | 75 |

INTRODUCTORY SECTION

West Wildwood Board of Education
PO Box 1704
West Wildwood, NJ 08260
Phone 856-785-0047 Fax 856-785-0089

December 1, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Borough of West Wildwood School District for the fiscal year ended June 30, 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, each major fund, and the aggregate remaining fund information of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and 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 not required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*"

1) REPORTING ENTITY AND ITS SERVICES: The Borough of West Wildwood School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report. The Borough of West Wildwood Board of Education constitutes the District's reporting entity.

The District is a non-operating district and contracts with other School Districts on a tuition basis, to provide educational services to its students.

2) ECONOMIC CONDITIONS AND OUTLOOK: The West Wildwood community has an economy based on tourism, and any fluctuation in tourism can affect the community. The population of the borough has increased from 448 per the 2000 United States Census to 603 per the 2010 United States Census.

3) MAJOR INITIATIVES: The Borough of West Wildwood School District adheres to all policies and procedures of our receiving School Districts, with regard to student achievement and Scholastic Aptitude Tests. Our main concern is the funding for tuition and transportation of resident students to receiving School Districts.

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 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 management.

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

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

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 "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.

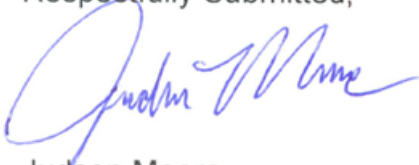
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the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

9) RISK MANAGEMENT: The District carries School Boards Legal Liability and Surety Bond insurance.

10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the District. The auditor's report on the basic financial statements, required supplemental information and supplemental information are included in the financial section of this report.

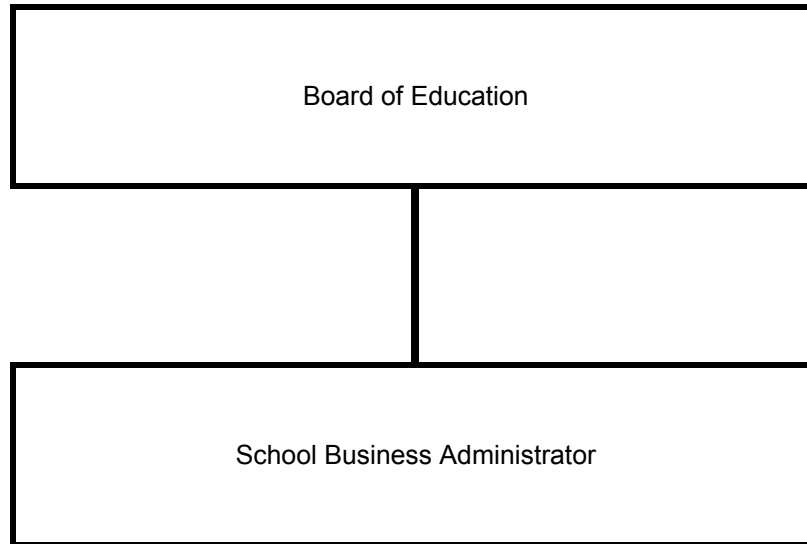
11) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Borough of West Wildwood School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development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

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Judson Moore". The signature is fluid and cursive, with the first letter of each name being significantly larger than the others.

Judson Moore
Business Administrator/Board Secretary

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Organizational Chart



BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

April Howard, President

2017

Robert Kilgore

2017

James Perloff

2016

Lori Perloff

2018

Dawn Sockriter

2016

OTHER OFFICIALS

Judson Moore, Business Administrator / Board Secretary

Dorothy A. Tomlin, Administrative Assistant

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

June 30, 2016

AUDIT FIRM

Bowman & Company LLP
Certified Public Accountants & Consultants
6 North Broad Street, Suite 201
Woodbury, New Jersey 08096

ATTORNEY

Mark G. Toscano, Esq.
Comegno Law Group, PC
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of West Wildwood School District
West Wildwood, New Jersey 08260

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Borough of West Wildwood School District, in the County of Cape May, State of 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 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Borough of West Wildwood School District, in the County of Cape May, State of New Jersey, as of June 30, 2016, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, as listed 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 Borough of West Wildwood School District's basic financial statements. The introductory section, statistical section, and schedule of expenditures of state financial assistance are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements.

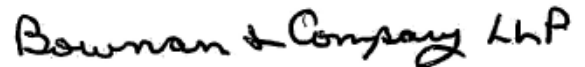
The accompanying schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures 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 accompanying schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

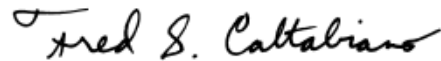
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016, on our consideration of the Borough of West 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 Borough of West Wildwood School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
December 1, 2016

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of West Wildwood School District
West Wildwood, New Jersey 08260

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities and each major fund of the Borough of West Wildwood School District, in the County of Cape May, State of 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 School District's basic financial statements, and have issued our report thereon dated December 1, 2016.

Internal Control Over Financial Reporting

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

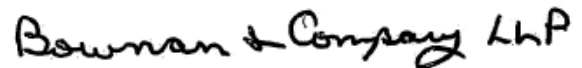
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of West 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 Division of Administration and Finance, Department of Education, State of New Jersey.

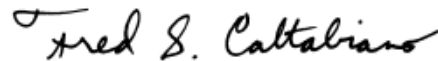
Purpose of this Report

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* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
December 1, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The Management's Discussion and Analysis (MD&A) of the Borough of West Wildwood School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2016 and 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The total assets of the District exceeded its total liabilities at the close of the most recent fiscal year by \$616,248.39 (net position).
- The District's total net position decreased by \$85,452.43.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. 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 *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the government-wide statements.
- *Governmental funds* statements tell how basic services like regular and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the District'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 position and how they have changed. Net position – the difference between the District's assets/deferred outflow of resources and liabilities/deferred inflow of resources – are one way to measure the District's financial health or position.

- Increase or decrease in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Overview of the Financial Statements (Cont'd)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on the significant funds – not the District as a whole. Funds are used by the District to keep track of specific sources of funding and spending on particular programs:

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The District has only one fund:

- *Governmental fund* – The District's basic services are included in the governmental fund, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental fund statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Notes to the Financial Statement* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

Table 1 provides a summary of the District's net position for fiscal years 2016 and 2015.

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>Change</u> | <u>% Change</u> |
|-------------------------------|----------------------|----------------------|-----------------------|-----------------|
| Current and Other Assets | \$ 649,990.90 | \$ 707,512.22 | \$ (57,521.32) | -8.13% |
| Total Assets | <u>649,990.90</u> | <u>707,512.22</u> | <u>(57,521.32)</u> | <u>-8.13%</u> |
| Deferred Outflow of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.00%</u> |
| Other Liabilities | <u>33,742.51</u> | <u>5,811.40</u> | <u>27,931.11</u> | <u>480.63%</u> |
| Total Liabilities | <u>33,742.51</u> | <u>5,811.40</u> | <u>27,931.11</u> | <u>480.63%</u> |
| Deferred Inflow of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.00%</u> |
| Net Position: | | | | |
| Restricted | 366,248.39 | 451,700.82 | (85,452.43) | -18.92% |
| Unrestricted | <u>250,000.00</u> | <u>250,000.00</u> | <u>-</u> | <u>0.00%</u> |
| Total Net Position | <u>\$ 616,248.39</u> | <u>\$ 701,700.82</u> | <u>\$ (85,452.43)</u> | <u>-12.18%</u> |

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Financial Analysis of the District as a Whole (Cont'd)

Table 2 reflects changes in net position for fiscal years 2016 and 2015.

| Revenues: | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>Change</u> | <u>% Change</u> |
|---|----------------------|----------------------|-----------------------|-----------------|
| General Revenues: | | | | |
| Property taxes | \$ 1,232,343.00 | \$ 1,326,507.00 | \$ (94,164.00) | -7.10% |
| Federal & State Grants | 39,176.00 | 39,176.00 | - | 0.00% |
| Other | 183.13 | 22,340.03 | (22,156.90) | -99.18% |
| Total Revenues | <u>1,271,702.13</u> | <u>1,388,023.03</u> | <u>(116,320.90)</u> | <u>-8.38%</u> |
| Expenses: | | | | |
| Governmental activities | | | | |
| Support services: | | | | |
| Tuition | 1,246,550.15 | 1,288,316.90 | (41,766.75) | -3.24% |
| Attendance and Social Work | 2,800.00 | 2,980.00 | (180.00) | -6.04% |
| General Administrative Services | 8,433.73 | 14,528.38 | (6,094.65) | -41.95% |
| Central Services | 9,200.00 | 10,619.48 | (1,419.48) | -13.37% |
| Plant operations and Maintenance | 5,759.90 | 4,035.80 | 1,724.10 | 42.72% |
| Student Transportation | 83,455.30 | 68,006.98 | 15,448.32 | 22.72% |
| Unallocated benefits | 955.48 | - | 955.48 | 100.00% |
| Total Expenses | <u>1,357,154.56</u> | <u>1,388,487.54</u> | <u>(31,332.98)</u> | <u>-2.26%</u> |
| Net Increase (Decrease) in Net Position | (85,452.43) | (464.51) | (84,987.92) | |
| Beginning Net Position | 701,700.82 | 702,165.33 | (464.51) | |
| Ending Net Position | <u>\$ 616,248.39</u> | <u>\$ 701,700.82</u> | <u>\$ (85,452.43)</u> | <u>-12.18%</u> |

Governmental-Type Activities

- There was a decrease of \$85,452.43 or -12.18% in governmental activities net position.
- Property taxes decreased \$94,164.00 or -7.10% from the prior year.
- Total Expenses decreased \$31,332.98 or -2.26% from the prior year.

General Fund Budgetary Highlights

The final budgetary basis anticipated revenue was \$1,271,619.00, actual revenues were \$1,271,702.13.

The final budgetary basis expenditures was \$1,587,616.00, actual expenditures were \$1,357,154.56.

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Financial Analysis of the Government's Funds

As stated earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund reported combined ending fund balance of \$616,248.39, a decrease of \$85,452.43 in comparison with the prior year.

Of the ending fund balance of \$616,248.39, \$250,000.00 constitutes unassigned fund balance. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been committed. For example, anticipated as revenue in the 2016-2017 budget of \$135,704.49 is restricted.

Capital Asset and Debt Administration

Capital Assets - The District has no capital assets.

Long-term Debt - The District has no outstanding debt.

Economic Factors and Next Year's Budget

For the 2015-16 school year, the District was able to sustain its budget through property taxes and state aid.

The 2016-17 budget was adopted with no tax levy increase.

Any reduction of state aid and increase in expenditures will put an additional burden on the taxpayers of West Wildwood.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Judson Moore, Business Administrator at:

Borough of West Wildwood School District
P.O. Box 1704
West Wildwood, New Jersey 08260

BASIC FINANCIAL STATEMENTS

GOVERNMENT- WIDE FINANCIAL STATEMENTS

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

| | <u>Governmental Activities</u> |
|------------------------------|------------------------------------|
| ASSETS: | |
| Cash and Cash Equivalents | \$ 649,990.90 |
| Total Assets | <u>649,990.90</u> |
| LIABILITIES: | |
| Accounts Payable | 32,940.18 |
| Payroll Withholdings Payable | <u>802.33</u> |
| Total Liabilities | <u>33,742.51</u> |
| NET POSITION: | |
| Restricted for: | |
| Other Purposes | 366,248.39 |
| Unrestricted | <u>250,000.00</u> |
| Total Net Position | <u>\$ 616,248.39</u> |

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

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

| <u>Functions / Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | |
|---|------------------------|-----------------------------|---|---|--|--------------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Total</u> |
| Governmental Activities: | | | | | | |
| Support Services: | | | | | | |
| Tuition | \$ 1,246,550.15 | | | | \$ (1,246,550.15) | \$ (1,246,550.15) |
| Attendance and Social Work | 2,800.00 | | | | (2,800.00) | (2,800.00) |
| General Administrative Services | 8,433.73 | | | | (8,433.73) | (8,433.73) |
| Central Services | 9,200.00 | | | | (9,200.00) | (9,200.00) |
| Plant Operations and Maintenance | 5,759.90 | | | | (5,759.90) | (5,759.90) |
| Student Transportation | 83,455.30 | | | | (83,455.30) | (83,455.30) |
| Unallocated Benefits | 955.48 | | | | (955.48) | (955.48) |
| Total Governmental Activities | 1,357,154.56 | - | - | - | (1,357,154.56) | (1,357,154.56) |
| Total Primary Government | \$ 1,357,154.56 | \$ - | \$ - | \$ - | \$ (1,357,154.56) | \$ (1,357,154.56) |
| General Revenues: | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | \$ 1,232,343.00 | \$ 1,232,343.00 |
| State Aid - Unrestricted | | | | | 39,176.00 | 39,176.00 |
| Miscellaneous | | | | | 183.13 | 183.13 |
| Total General Revenues | | | | | 1,271,702.13 | 1,271,702.13 |
| Change in Net Position | | | | | (85,452.43) | (85,452.43) |
| Net Position -- July 1 | | | | | 701,700.82 | 701,700.82 |
| Net Position -- June 30 | | | | | \$ 616,248.39 | \$ 616,248.39 |

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

FUND FINANCIAL STATEMENTS

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Governmental Fund
 Balance Sheet
 June 30, 2016

| | <u>General Fund</u> |
|---|-------------------------|
| ASSETS: | |
| Cash and Cash Equivalents | \$ 649,990.90 |
| Total Assets | <u>\$ 649,990.90</u> |
| LIABILITIES AND FUND BALANCES | |
| Liabilities: | |
| Accounts Payable | \$ 32,940.18 |
| Payroll Withholdings Payable | <u>802.33</u> |
| Total Liabilities | <u>33,742.51</u> |
| Fund Balances: | |
| Restricted: | |
| Excess Surplus - Current Year | 230,543.90 |
| Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures | 135,704.49 |
| Unassigned | <u>250,000.00</u> |
| Total Fund Balances | <u>616,248.39</u> |
| Total Liabilities and Fund Balances | <u>\$ 649,990.90</u> |

There were no differences to reconcile fund balance per this Balance Sheet to the Statement of Net Position (A-1).

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

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Fiscal Year Ended June 30, 2016

| | <u>General Fund</u> |
|---|-----------------------------|
| REVENUES: | |
| Local Tax Levy | \$ 1,232,343.00 |
| Miscellaneous Revenues | 183.13 |
| State Sources | <u>39,176.00</u> |
| Total Revenues | <u>1,271,702.13</u> |
| EXPENDITURES: | |
| Current: | |
| Support Services and Undistributed Costs: | |
| Tuition | 1,246,550.15 |
| Attendance and Social Work | 2,800.00 |
| General Administrative Services | 8,433.73 |
| Central Services | 9,200.00 |
| Plant Operations and Maintenance | 5,759.90 |
| Student Transportation | 83,455.30 |
| Unallocated Benefits | <u>955.48</u> |
| Total Expenditures | <u>1,357,154.56</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(85,452.43)</u> |
| Fund Balance -- July 1 | <u>701,700.82</u> |
| Fund Balance -- June 30 | <u><u>\$ 616,248.39</u></u> |

There were no differences to reconcile the net change in fund balance in this exhibit to the change in Net Position of Governmental Activities (A-2).

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

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of West Wildwood School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("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. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The 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"). The Board is comprised of five members elected to three-year terms. These terms are staggered so that member's terms expire each year. The School District is a non-operating district and its purpose is to pay tuition/transportation fees to other School Districts to educate resident students in grades K through 12.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Cape May County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental fund:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District has no proprietary funds.

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District has no fiduciary funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Budgets / Budgetary Control

An annual budget is prepared in the spring of each fiscal year for the general fund, and is submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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 one or more June state aid payments for budgetary purposes only. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budget, as detailed on exhibit C-1 includes all amendments to the adopted budget, if any.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, should be included within committed or assigned fund balance, as appropriate.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, the School District's bank balance of \$649,990.90 was insured by FDIC and GUDPA.

Note 3: LONG-TERM LIABILITIES

As of June 30, 2016, the School District had no debt outstanding and no debt authorized but not issued.

Note 4: RISK MANAGEMENT

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

Property and Liability Insurance - The School District maintains commercial insurance coverage for liability and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Note 5: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 6: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to State laws and State appropriations.

Note 7: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general 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 \$230,543.90. Additionally, \$135,704.49 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2016, \$250,000.00 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

| | Original <u>Budget</u> | Budget <u>Modifications</u> | Final <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) <u>Final to Actual</u> |
|---|---------------------------|--------------------------------|------------------------|---------------------|---|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 1,232,343.00 | \$ - | \$ 1,232,343.00 | \$ 1,232,343.00 | \$ - |
| Miscellaneous | 100.00 | - | 100.00 | 183.13 | 83.13 |
| Total - Local Sources | 1,232,443.00 | - | 1,232,443.00 | 1,232,526.13 | 83.13 |
| State Sources: | | | | | |
| Transportation Aid | 1,801.00 | - | 1,801.00 | 1,801.00 | - |
| Special Education Aid | 33,757.00 | - | 33,757.00 | 33,757.00 | - |
| Security Aid | 2,578.00 | - | 2,578.00 | 2,578.00 | - |
| PARCC Readiness Aid | 520.00 | - | 520.00 | 520.00 | - |
| Per Pupil Growth Aid | 520.00 | - | 520.00 | 520.00 | - |
| Total - State Sources | 39,176.00 | - | 39,176.00 | 39,176.00 | - |
| Total Revenues | 1,271,619.00 | - | 1,271,619.00 | 1,271,702.13 | 83.13 |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition - Other LEAs Within the State - Reg | 1,131,631.00 | (50,000.00) | 1,081,631.00 | 982,747.00 | 98,884.00 |
| Tuition - COMPACT | 76,250.00 | - | 76,250.00 | 7,518.24 | 68,731.76 |
| Tuition - County Voc. School District - Reg | 66,887.00 | - | 66,887.00 | 43,940.00 | 22,947.00 |
| Tuition - CSSD & Regional Day Schools | 182,648.00 | 30,000.00 | 212,648.00 | 212,344.91 | 303.09 |
| Total Undistributed Expenditures - Instruction | 1,457,416.00 | (20,000.00) | 1,437,416.00 | 1,246,550.15 | 190,865.85 |
| Undistributed Expenditures - Support Services - Attendance & Social Work: | | | | | |
| Salaries | 2,800.00 | - | 2,800.00 | 2,800.00 | - |
| Total Undistributed Expenditures - Support Services - Attendance & Social Work | 2,800.00 | - | 2,800.00 | 2,800.00 | - |

(Continued)

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|---|---------------------|-------------------------|---------------------|---------------------|--|
| Undistributed Expenditures - Support Services - General Administration: | | | | | |
| Salaries | \$ 1,000.00 | \$ - | \$ 1,000.00 | \$ 1,000.00 | \$ - |
| Legal Services | 15,000.00 | - | 15,000.00 | 1,224.85 | 13,775.15 |
| Audit Fees | 4,500.00 | - | 4,500.00 | 4,300.00 | 200.00 |
| Other Purchased Professional Services | 2,000.00 | - | 2,000.00 | 771.23 | 1,228.77 |
| General Supplies | 2,000.00 | - | 2,000.00 | - | 2,000.00 |
| Miscellaneous Expenditures | 1,500.00 | - | 1,500.00 | - | 1,500.00 |
| BOE Membership Dues and Fees | 3,000.00 | - | 3,000.00 | 1,137.65 | 1,862.35 |
| Total Undistributed Expenditures - Support Services - General Administration | 29,000.00 | - | 29,000.00 | 8,433.73 | 20,566.27 |
| Undistributed Expenditures - Central Services: | | | | | |
| Salaries | 9,200.00 | - | 9,200.00 | 9,200.00 | - |
| Total Undistributed Expenditures - Central Services | 9,200.00 | - | 9,200.00 | 9,200.00 | - |
| Undistributed Expenditures - Operation and Maintenance of Plant Services: | | | | | |
| Insurance | 8,000.00 | - | 8,000.00 | 5,759.90 | 2,240.10 |
| Total Undistributed Expenditures - Operation and Maintenance of Plant Services | 8,000.00 | - | 8,000.00 | 5,759.90 | 2,240.10 |
| Undistributed Expenditures - Student Transportation Services: | | | | | |
| Contracted Services - (Reg. Students) - ESC's & CTSA's | 80,000.00 | 20,000.00 | 100,000.00 | 83,455.30 | 16,544.70 |
| Total Undistributed Expenditures - Student Transportation Services | 80,000.00 | 20,000.00 | 100,000.00 | 83,455.30 | 16,544.70 |
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | 1,200.00 | - | 1,200.00 | 955.48 | 244.52 |
| Total Unallocated Benefits - Employee Benefits | 1,200.00 | - | 1,200.00 | 955.48 | 244.52 |
| Total Undistributed Expenditures | 1,587,616.00 | - | 1,587,616.00 | 1,357,154.56 | 230,461.44 |
| Total Current Expense | 1,587,616.00 | - | 1,587,616.00 | 1,357,154.56 | 230,461.44 |

(Continued)

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

| | Original Budget | Budget Modifications | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|---|----------------------|-------------------------|----------------------|----------------------|--|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (315,997.00) | \$ - | \$ (315,997.00) | \$ (85,452.43) | \$ 230,544.57 |
| Fund Balances, July 1 | 701,700.82 | - | 701,700.82 | 701,700.82 | - |
| Fund Balances, June 30 | <u>\$ 385,703.82</u> | <u>\$ -</u> | <u>\$ 385,703.82</u> | <u>\$ 616,248.39</u> | <u>\$ 230,544.57</u> |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Excess Surplus - Current Year | | | | \$ 230,543.90 | |
| Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures | | | | 135,704.49 | |
| Unassigned | | | | <u>250,000.00</u> | |
| | | | | 616,248.39 | |
| Reconciliation to Governmental Funds Statements(GAAP): | | | | | |
| June 2016 State Aid Payments Not Recognized on GAAP Basis | | | | <u>-</u> | |
| | | | | <u>\$ 616,248.39</u> | |

There were no differences to reconcile revenues and expenditures on this schedule to those reported in the Governmental Fund Schedule (B-2).

OTHER SUPPLEMENTARY INFORMATION

**SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE**

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BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2016

| <u>State Grantor / Program or Cluster Title</u> | <u>Grant or State Project Number</u> | <u>Program or Award Amount</u> | <u>Grant Period</u> | | <u>Balance at June 30, 2015</u> | | |
|--|--|--|---------------------|-----------|---|---------------------------|---|
| | | | <u>From</u> | <u>To</u> | <u>Unearned Revenue / (Accounts Receivable)</u> | <u>Due to Grantor</u> | <u>Carryover/ (Walkover) Amount</u> |
| General Fund: | | | | | | | |
| New Jersey Department of Education: | | | | | | | |
| Current Expense: | | | | | | | |
| State Aid - Public Cluster: | | | | | | | |
| Special Education Categorical Aid | 495-034-5120-089 | \$ 33,757.00 | 7-1-2015 | 6-30-2016 | | | |
| Security Aid | 495-034-5120-084 | 2,578.00 | 7-1-2015 | 6-30-2016 | | | |
| Per Pupil Growth Aid | 495-034-5120-097 | 520.00 | 7-1-2015 | 6-30-2016 | | | |
| PARCC Readiness Aid | 495-034-5120-098 | 520.00 | 7-1-2015 | 6-30-2016 | | | |
| Total State Aid - Public Cluster | | | | | - | - | - |
| Categorical Transportation Aid | 495-034-5120-014 | 1,801.00 | 7-1-2015 | 6-30-2016 | | | |
| Total Transportation Aid | | | | | - | - | - |
| Total General Fund and State Department of Education | | | | | - | - | - |
| Total State Financial Assistance | | | | | \$ - | \$ - | \$ - |

These funds were not audited in accordance with State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, since the total of all grant expenditures did not exceed \$750,000.00

| Cash Received | Total Budgetary Expenditures | Passed- Through to Sub recipients | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2016 | | | (Memo Only) | |
|------------------|------------------------------------|---|-------------|--|--------------------------|---------------------|-------------------|-------------------------|-------------------------------------|
| | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| \$ 33,757.00 | \$ (33,757.00) | | | | | | | \$ 33,757.00 | |
| 2,578.00 | (2,578.00) | | | | | | | 2,578.00 | |
| 520.00 | (520.00) | | | | | | | 520.00 | |
| 520.00 | (520.00) | | | | | | | 520.00 | |
| 37,375.00 | (37,375.00) | - | - | - | - | - | - | - | 37,375.00 |
| 1,801.00 | (1,801.00) | | | | | | | | 1,801.00 |
| 1,801.00 | (1,801.00) | - | - | - | - | - | - | - | 1,801.00 |
| 39,176.00 | (39,176.00) | - | - | - | - | - | - | - | 39,176.00 |
| \$ 39,176.00 | \$ (39,176.00) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 39,176.00 |

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Governmental Activities | | | | | | | | | | |
| Restricted | 366,248.39 | 451,700.82 | 452,165.33 | 136,168.75 | - | - | - | - | - | 30,000.00 |
| Unrestricted | 250,000.00 | 250,000.00 | 250,000.00 | 250,000.00 | 209,915.12 | 187,563.34 | 335,667.17 | 372,426.99 | 241,920.12 | 84,109.97 |
| Total Governmental Activities Net Position | <u>616,248.39</u> | <u>701,700.82</u> | <u>702,165.33</u> | <u>386,168.75</u> | <u>209,915.12</u> | <u>187,563.34</u> | <u>335,667.17</u> | <u>372,426.99</u> | <u>241,920.12</u> | <u>114,109.97</u> |
| District-Wide | | | | | | | | | | |
| Restricted | 366,248.39 | 451,700.82 | 452,165.33 | 136,168.75 | - | - | - | - | - | 30,000.00 |
| Unrestricted | 250,000.00 | 250,000.00 | 250,000.00 | 250,000.00 | 209,915.12 | 187,563.34 | 335,667.17 | 372,426.99 | 241,920.12 | 84,109.97 |
| Total District-Wide Net Position | <u>616,248.39</u> | <u>701,700.82</u> | <u>702,165.33</u> | <u>386,168.75</u> | <u>209,915.12</u> | <u>187,563.34</u> | <u>335,667.17</u> | <u>372,426.99</u> | <u>241,920.12</u> | <u>114,109.97</u> |

Source: District Records

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Tuition | 1,246,550.15 | 1,288,316.90 | 921,382.86 | 1,091,327.84 | 1,364,594.00 | 1,522,897.00 | 1,203,968.00 | 995,914.75 | 946,832.50 | 1,158,174.00 |
| Attendance and Social Work | 2,800.00 | 2,980.00 | 3,157.00 | 3,330.00 | - | - | - | - | - | - |
| General Administrative Services | 8,433.73 | 14,528.38 | 7,235.86 | 7,177.39 | 8,672.71 | 15,077.77 | 7,648.68 | 8,845.13 | 8,523.83 | 7,944.48 |
| Central Services | 9,200.00 | 10,619.48 | 9,566.46 | 9,582.25 | 9,252.19 | 8,784.40 | 8,549.18 | 8,225.13 | 7,813.84 | 7,517.18 |
| Plant Operations and Maintenance | 5,759.90 | 4,035.80 | 6,110.00 | 5,709.00 | 5,718.00 | 5,786.00 | 6,000.00 | 5,036.00 | 4,920.00 | 4,868.00 |
| Student Transportation | 83,455.30 | 68,006.98 | 45,825.70 | 15,515.98 | 21,582.31 | 20,718.99 | 28,046.84 | 16,938.38 | 19,325.44 | 27,723.60 |
| Unallocated Benefits | 955.48 | - | - | - | - | - | - | - | - | - |
| Charter Schools | - | - | - | - | - | - | - | - | 9,939.00 | 9,557.00 |
| Total Governmental Activities Expenses | 1,357,154.56 | 1,388,487.54 | 993,277.88 | 1,132,642.46 | 1,409,819.21 | 1,573,264.16 | 1,254,212.70 | 1,034,959.39 | 997,354.61 | 1,215,784.26 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (1,357,154.56) | (1,388,487.54) | (993,277.88) | (1,132,642.46) | (1,409,819.21) | (1,573,264.16) | (1,254,212.70) | (1,034,959.39) | (997,354.61) | (1,215,784.26) |
| Total District-Wide Net Expense | (1,357,154.56) | (1,388,487.54) | (993,277.88) | (1,132,642.46) | (1,409,819.21) | (1,573,264.16) | (1,254,212.70) | (1,034,959.39) | (997,354.61) | (1,215,784.26) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | 1,232,343.00 | 1,326,507.00 | 1,271,085.00 | 1,273,189.00 | 1,394,011.00 | 1,396,090.00 | 1,129,476.00 | 1,086,035.00 | 1,047,341.00 | 1,083,804.00 |
| Federal and State Aid Not Restricted | 39,176.00 | 39,176.00 | 38,136.00 | 35,671.00 | 32,631.00 | 28,922.00 | 70,352.00 | 72,676.00 | 71,567.00 | 69,908.00 |
| Miscellaneous Income | 183.13 | 22,340.03 | 53.46 | 36.09 | 5,528.99 | 148.33 | 17,624.88 | 6,755.26 | 6,256.76 | 291.31 |
| Total Governmental Activities | 1,271,702.13 | 1,388,023.03 | 1,309,274.46 | 1,308,896.09 | 1,432,170.99 | 1,425,160.33 | 1,217,452.88 | 1,165,466.26 | 1,125,164.76 | 1,154,003.31 |
| Total District-Wide | 1,271,702.13 | 1,388,023.03 | 1,309,274.46 | 1,308,896.09 | 1,432,170.99 | 1,425,160.33 | 1,217,452.88 | 1,165,466.26 | 1,125,164.76 | 1,154,003.31 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | (85,452.43) | (464.51) | 315,996.58 | 176,253.63 | 22,351.78 | (148,103.83) | (36,759.82) | 130,506.87 | 127,810.15 | (61,780.95) |
| Total District-Wide | (85,452.43) | (464.51) | 315,996.58 | 176,253.63 | 22,351.78 | (148,103.83) | (36,759.82) | 130,506.87 | 127,810.15 | (61,780.95) |

Source: District Records

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| General Fund | | | | | | | | | | |
| Reserved | - | - | - | - | - | - | - | - | - | 30,000.00 |
| Unreserved | - | - | - | - | - | - | 335,667.17 | 372,426.99 | 241,920.12 | 84,109.97 |
| Restricted | 366,248.39 | 451,700.82 | 452,165.33 | 136,168.75 | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | 55,503.00 | - | - | - | - |
| Unassigned | 250,000.00 | 250,000.00 | 250,000.00 | 250,000.00 | 209,915.12 | 132,060.34 | - | - | - | - |
| Total General Fund | <u>616,248.39</u> | <u>701,700.82</u> | <u>702,165.33</u> | <u>386,168.75</u> | <u>209,915.12</u> | <u>187,563.34</u> | <u>335,667.17</u> | <u>372,426.99</u> | <u>241,920.12</u> | <u>114,109.97</u> |

Note: In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund Balance was changed.

Source: District Records

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Revenues | | | | | | | | | | |
| Tax Levy | 1,232,343.00 | 1,326,507.00 | 1,271,085.00 | 1,273,189.00 | 1,394,011.00 | 1,396,090.00 | 1,129,476.00 | 1,086,035.00 | 1,047,341.00 | 1,083,804.00 |
| Miscellaneous Revenues | 183.13 | 22,340.03 | 53.46 | 36.09 | 5,528.99 | 148.33 | 17,624.88 | 6,755.26 | 6,256.76 | 291.31 |
| State Sources | 39,176.00 | 39,176.00 | 38,136.00 | 35,671.00 | 32,555.00 | 6,202.00 | 70,352.00 | 72,676.00 | 71,567.00 | 69,908.00 |
| Federal Sources | - | - | - | - | 76.00 | 22,720.00 | - | - | - | - |
| Total Revenue | 1,271,702.13 | 1,388,023.03 | 1,309,274.46 | 1,308,896.09 | 1,432,170.99 | 1,425,160.33 | 1,217,452.88 | 1,165,466.26 | 1,125,164.76 | 1,154,003.31 |
| Expenditures | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Tuition | 1,246,550.15 | 1,288,316.90 | 921,382.86 | 1,091,327.84 | 1,364,594.00 | 1,522,897.00 | 1,203,968.00 | 995,914.75 | 946,832.50 | 1,158,174.00 |
| Attendance and Social Work | 2,800.00 | 2,980.00 | 3,157.00 | 3,330.00 | - | - | - | - | - | - |
| General Administrative Services | 8,433.73 | 14,528.38 | 7,235.86 | 7,177.39 | 8,672.71 | 15,077.77 | 7,648.68 | 8,845.13 | 8,523.83 | 7,944.48 |
| Central Services | 9,200.00 | 10,619.48 | 9,566.46 | 9,582.25 | 9,252.19 | 8,784.40 | 8,549.18 | 8,225.13 | 7,813.84 | 7,517.18 |
| Plant Operations and Maintenance | 5,759.90 | 4,035.80 | 6,110.00 | 5,709.00 | 5,718.00 | 5,786.00 | 6,000.00 | 5,036.00 | 4,920.00 | 4,868.00 |
| Student Transportation | 83,455.30 | 68,006.98 | 45,825.70 | 15,515.98 | 21,582.31 | 20,718.99 | 28,046.84 | 16,938.38 | 19,325.44 | 27,723.60 |
| Unallocated Benefits | 955.48 | - | - | - | - | - | - | - | - | - |
| Charter Schools | - | - | - | - | - | - | - | - | 9,939.00 | 9,557.00 |
| Total Expenditures | 1,357,154.56 | 1,388,487.54 | 993,277.88 | 1,132,642.46 | 1,409,819.21 | 1,573,264.16 | 1,254,212.70 | 1,034,959.39 | 997,354.61 | 1,215,784.26 |
| Net Change in Fund Balances | (85,452.43) | (464.51) | 315,996.58 | 176,253.63 | 22,351.78 | (148,103.83) | (36,759.82) | 130,506.87 | 127,810.15 | (61,780.95) |
| Debt service as a percentage of noncapital expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: District Records

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 General Fund - Other Local Revenue By Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

| | Fiscal Years Ending June 30, | | | | | | | | | |
|------------------------------|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Miscellaneous Revenue | | | | | | | | | | |
| Tuition | - | 22,257.51 | - | - | - | - | 5,910.00 | - | - | - |
| Interest | 83.15 | 82.52 | 53.46 | 36.09 | 97.99 | 148.33 | 589.23 | 622.88 | 341.86 | 291.31 |
| Miscellaneous | 99.98 | - | - | - | 5,431.00 | - | 11,125.65 | 6,132.38 | 5,914.90 | - |
| Total Miscellaneous Revenues | 183.13 | 22,340.03 | 53.46 | 36.09 | 5,528.99 | 148.33 | 17,624.88 | 6,755.26 | 6,256.76 | 291.31 |

Source: District Records

REVENUE CAPACITY INFORMATION

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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

| Year | Vacant Land | Residential | Commercial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^b |
|------|-------------|-------------|------------|-----------|----------------------|-------------------------------|-----------------------|---|---|
| 2016 | 23,759,000 | 213,441,200 | 9,013,300 | 532,700 | 246,746,200 | 77,404 | 246,823,604 | 222,501,365 | 0.500 |
| 2015 | 24,002,400 | 216,986,900 | 9,120,900 | 532,700 | 250,642,900 | 79,538 | 250,722,438 | 237,790,574 | 0.511 |
| 2014 | 24,615,800 | 217,471,100 | 9,120,900 | 532,700 | 251,740,500 | 106,139 | 251,846,639 | 239,951,432 | 0.516 |
| 2013 | 23,772,500 | 219,528,500 | 9,036,000 | 532,700 | 252,869,700 | 106,139 | 252,975,839 | 239,070,026 | 0.480 |
| 2012 | 24,991,800 | 220,465,800 | 9,036,000 | 532,700 | 255,026,300 | 106,139 | 255,132,439 | 253,991,200 | 0.547 |
| 2011 | 24,542,100 | 221,230,700 | 9,036,000 | 532,700 | 255,341,500 | 105,068 | 255,446,568 | 255,446,568 | 0.547 |
| 2010 | 26,392,000 | 227,101,900 | 9,145,000 | 532,700 | 263,171,600 | 129,375 | 263,300,975 | 266,164,782 | 0.480 |
| 2009 | 29,491,600 | 233,252,300 | 10,157,900 | 532,700 | 273,434,500 | 107,544 | 273,542,044 | 323,643,279 | 0.405 |
| 2008 | 25,796,200 | 186,913,300 | 5,943,900 | 1,008,500 | 219,661,900 | 57,224 | 219,719,124 | 311,335,211 | 0.487 |
| 2007 | 26,530,900 | 181,606,000 | 5,943,900 | 1,008,500 | 215,089,300 | 53,552 | 215,142,852 | 290,493,051 | 0.497 |

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

b - Tax rates are per \$100

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Per \$100.00 of Assessed Valuation

Last Ten Years

Unaudited

| <u>Year</u> | <u>School District Direct Rate</u> | | | <u>Overlapping Rates</u> | | <u>Total Direct and Overlapping Tax Rate</u> |
|-------------|------------------------------------|--|--|------------------------------------|---------------|--|
| | <u>Basic Rate</u> | <u>General Obligation Debt Service</u> | <u>(From J-6) Total Direct School Tax Rate</u> | <u>Municipal Local Purpose</u> | <u>County</u> | |
| 2016 | 0.500 | - | 0.500 | 0.697 | 0.230 | 1.427 |
| 2015 | 0.511 | - | 0.511 | 0.678 | 0.241 | 1.430 |
| 2014 | 0.516 | - | 0.516 | 0.605 | 0.238 | 1.359 |
| 2013 | 0.480 | - | 0.480 | 0.566 | 0.232 | 1.278 |
| 2012 | 0.547 | - | 0.547 | 0.551 | 0.231 | 1.329 |
| 2011 | 0.547 | - | 0.547 | 0.536 | 0.232 | 1.315 |
| 2010 | 0.480 | - | 0.480 | 0.528 | 0.211 | 1.219 |
| 2009 | 0.405 | - | 0.405 | 0.528 | 0.238 | 1.171 |
| 2008 | 0.487 | - | 0.487 | 0.695 | 0.270 | 1.452 |
| 2007 | 0.497 | - | 0.497 | 0.684 | 0.259 | 1.440 |

Source: Abstract of Ratables for the County of Cape May

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Principal Property Taxpayers
 Current Year and Nine Years Ago
Unaudited

| <u>Taxpayer</u> | 2016 | | 2007 | |
|------------------------------|-------------------------------|---|-------------------------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> <u>% of Total District Net Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> <u>% of Total District Net Assessed Value</u> |
| Bridgeport Family Marina LLC | 1,856,400 | 0.75% | | |
| VIN, LLC | 1,805,100 | 0.73% | | |
| Mosley, LYN | 1,336,300 | 0.54% | | |
| C-LYN, LLC | 1,190,500 | 0.48% | | |
| 29 Venice Avenue, LLC | 1,146,100 | 0.46% | Information Not Available | |
| Taxpayer 1 | 1,027,400 | 0.42% | | |
| Taxpayer 2 | 914,200 | 0.37% | | |
| Taxpayer 3 | 913,600 | 0.37% | | |
| Taxpayer 4 | 903,300 | 0.37% | | |
| Taxpayer 5 | 900,200 | 0.36% | | |
| Total | 11,993,100 | 4.86% | - | |

Source: Municipal Tax Assessor

BOROUGH OF WEST 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 (1) | | Collections in Subsequent Years |
|----------------------------------|-------------------------------------|--|-----------------------|------------------------------------|
| | | Amount | Percentage of Levy | |
| 2016 | 1,232,343.00 | 1,232,343.00 | 100.00% | - |
| 2015 | 1,326,507.00 | 1,326,507.00 | 100.00% | - |
| 2014 | 1,271,085.00 | 1,271,085.00 | 100.00% | - |
| 2013 | 1,273,189.00 | 1,273,189.00 | 100.00% | - |
| 2012 | 1,394,011.00 | 1,394,011.00 | 100.00% | - |
| 2011 | 1,396,090.00 | 1,396,090.00 | 100.00% | - |
| 2010 | 1,129,476.00 | 1,129,476.00 | 100.00% | - |
| 2009 | 1,086,035.00 | 1,086,035.00 | 100.00% | - |
| 2008 | 1,047,341.00 | 1,047,341.00 | 100.00% | - |
| 2007 | 1,083,804.00 | 1,083,804.00 | 100.00% | - |

(1) 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 the amount voted upon or certified prior to the end of the school year.

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

BOROUGH OF WEST 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 (1) | Per Capita (2) |
|-------------------------------------|-----------------------------|----------------|---------------------------------|----------------|---|-------------------|
| | General Obligation Bonds | Capital Leases | Capital Leases | | | |
| 2016 | | | | | | |
| 2015 | | | | | | |
| 2014 | | | | | | |
| 2013 | | | | | | |
| 2012 | | | | | | |
| 2011 | | | | | | |
| 2010 | | | | | | |
| 2009 | | | | | | |
| 2008 | | | | | | |
| 2007 | | | | | | |

Note: The District did not carry any debt for the years listed.

(1) Personal income has been estimated based upon the municipal population and per capita

(2) Population information provided by the NJ Department of Labor and Workforce Development

BOROUGH OF WEST 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 of Property (1) | Per Capita (2) |
|----------------------------|---------------------------------|------------|-------------------------------------|--|----------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2016 | | | | | |
| 2015 | | | | | |
| 2014 | | | | | |
| 2013 | | | | | |
| 2012 | | | | | |
| 2011 | | | | | |
| 2010 | | | | | |
| 2009 | | | | | |
| 2008 | | | | | |
| 2007 | | | | | |

Note: The District did not carry any debt for the years listed.

(1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation

(2) Population information provided by the NJ Department of Labor and Workforce Development

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
Unaudited

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Net Debt Estimated Share of Overlapping Debt</u> |
|--|-------------------------|--|---|
| Debt repaid with property taxes | | | |
| Borough of West Wildwood (1) | 4,239,572.27 | 100.00% | 4,239,572.27 |
| County of Cape May (2) (A) | 181,705,599.64 | 0.50% | <u>908,713.11</u> |
| Subtotal, overlapping debt | | | 5,148,285.38 |
| Borough of West Wildwood School District Direct Debt | none | 100.00% | <u>-</u> |
| Total direct and overlapping debt | | | <u><u>5,148,285.38</u></u> |

Sources:

- (1) Borough of West Wildwood Audit Report - December 31, 2015
- (2) County of Cape May Annual Debt Statement - December 31, 2015

(A) The debt for this entity was apportioned to Borough of West Wildwood by dividing the Borough's 2015 equalized value by the total 2015 equalized value for the County of Cape May, which results in an apportionment of 0.50%.

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Computation of Legal Debt Margin
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016

| | | <u>Equalized Valuation Basis (1)</u> |
|---|-------|--------------------------------------|
| | 2015 | 225,763,736.00 |
| | 2014 | 238,571,361.00 |
| | 2013 | <u>240,759,497.00</u> |
| | [A] | <u>705,094,594.00</u> |
| Average equalized valuation of taxable property | [A/3] | 235,031,531.33 |
| Debt limit (3% of average equalization value) (2) | [B] | 7,050,945.94 |
| Total Net Debt Applicable to Limit | [C] | <u>-</u> |
| Legal Debt Margin | [B-C] | <u>7,050,945.94</u> |

| | <u>Fiscal Year Ended June 30,</u> | | | | | | | | | |
|--|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Debit Limit | 7,050,945.94 | 7,165,526.00 | 7,335,729.00 | 7,688,363.00 | 8,182,166.00 | 8,706,989.00 | 9,011,433.00 | 9,039,259.00 | 8,097,130.00 | 6,859,290.00 |
| Total net debt applicable to limit (3) | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | <u>7,050,945.94</u> | <u>7,165,526.00</u> | <u>7,335,729.00</u> | <u>7,688,363.00</u> | <u>8,182,166.00</u> | <u>8,706,989.00</u> | <u>9,011,433.00</u> | <u>9,039,259.00</u> | <u>8,097,130.00</u> | <u>6,859,290.00</u> |

Total net debt applicable to the limit
 as a percentage of debt limit

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Years
Unaudited

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (3)</u> | <u>Unemployment Rate (4)</u> |
|-------------|-----------------------|--------------------------------|---|----------------------------------|
| 2015 | 572 | Unavailable | Unavailable | 12.70% |
| 2014 | 581 | 30,102,772.00 | 51,812.00 | 14.40% |
| 2013 | 587 | 29,183,292.00 | 49,716.00 | 23.60% |
| 2012 | 594 | 29,288,358.00 | 49,307.00 | 20.00% |
| 2011 | 597 | 28,423,767.00 | 47,611.00 | 18.70% |
| 2010 | 602 | 27,068,930.00 | 44,965.00 | 18.00% |
| 2009 | 405 | 17,826,885.00 | 44,017.00 | 17.20% |
| 2008 | 405 | 17,425,530.00 | 43,026.00 | 12.30% |
| 2007 | 409 | 16,918,694.00 | 41,366.00 | 10.10% |
| 2006 | 410 | 16,603,770.00 | 40,497.00 | 10.00% |

(1) Population information provided by the NJ Department of Labor and Workforce Development

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita personal income by municipality-estimated based upon the 2010 Census published

(4) Unemployment data provided by the NJ Department of Labor and Workforce Development

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

| Employer | 2016 | | | 2007 | | |
|----------|---------------------------------|------|--|---------------------------------|------|--|
| | Approximate Number of Employees | Rank | Percentage of Total Municipal Employment (1) | Approximate Number of Employees | Rank | Percentage of Total Municipal Employment (1) |
| | - | | 0.00% | - | | 0.00% |

Information Not Available

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

| <u>Function/Program</u> | Fiscal Year Ended June 30, | | | | | | | | | |
|--------------------------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Support Services: | | | | | | | | | | |
| Central Services | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other Support Services | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

Source: District Personnel Records

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

| Fiscal Year June 30, | 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 | Middle School | Senior High School | | | | |
| 2016 | 41 | 1,357,154.56 | 33,101.33 | 17% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2015 | 49 | 1,388,487.54 | 28,336.48 | 57% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2014 | 55 | 993,277.88 | 18,059.60 | -15% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2013 | 53 | 1,132,642.46 | 21,370.61 | -20% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2012 | 53 | 1,409,819.21 | 26,600.36 | 1% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2011 | 60 | 1,573,264.16 | 26,221.07 | 17% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2010 | 56 | 1,254,212.70 | 22,396.66 | 32% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2009 | 61 | 1,034,959.39 | 16,966.55 | -5% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2008 | 56 | 997,354.61 | 17,809.90 | -11% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2007 | 61 | 1,215,784.26 | 19,930.89 | 3% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Sources: District Records

a Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---------------------------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| <u>District Building</u> | | | | | | | | | | |

Not applicable as the School District does not own any buildings or maintain any school facilities (non-operating school district)

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance
 for School Facilities
 11-000-261-xxx

Fiscal Year Ended June 30,

| | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|

* School Facilities School Number Project # (s)

Not applicable as the School District does not own any buildings or maintain any school facilities (non-operating school district)

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

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Boards Legal Liability | \$ 300,000.00 | \$ 5,000/claim |
| Surety Bonds: | | |
| Business Administrator / Board Secretary | 25,000.00 | N/A |
| Treasurer of School Monies | 120,000.00 | N/A |

Source: District Records

FINDINGS AND RECOMMENDATIONS SECTION

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? ___ yes ___ X ___ no
Significant deficiency(ies) identified? ___ yes ___ X ___ none reported
Noncompliance material to financial statements noted? ___ yes ___ X ___ no

Federal Awards (Federal Single Audit is not required)

Internal control over major programs:
Material weakness(es) identified? ___ yes ___ no
Significant deficiency(ies) identified? ___ yes ___ none reported
Type of auditor's report issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? ___ yes ___ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Includes multiple rows for data entry.

Dollar threshold used to determine Type A programs
Auditee qualified as low-risk auditee? ___ yes ___ no

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2016

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None

BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.