

# **Comprehensive Annual Financial Report**

**of the**

**Borough of West Wildwood  
School District**

**West Wildwood, New Jersey**

**For The Fiscal Year Ended  
June 30, 2018**

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
Table of Contents

---

<b>INTRODUCTORY SECTION</b>	<u><b>Page</b></u>
Letter of Transmittal	2
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	9
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	15
<b>Basic Financial Statements</b>	
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
<b>Notes to the Financial Statements</b>	<b>26</b>
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	36 N/A
C-1b Community Development Block Grant - 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)

<b>FINANCIAL SECTION (CONT'D)</b>	<u>Page</u>
<b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability – PERS	N/A
L-2 Schedule of the School District's Contributions – PERS	N/A
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	N/A
L-4 Schedule of the School District's Contributions – TPAF	N/A
L-5 Notes to the Required Supplementary Information - Part III	N/A
<b>Required Supplementary Information - Part IV</b>	
M. Schedules Related to Accounting and Reporting for OPEB	
M-1 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	N/A
M-2 Notes to the Required Supplementary Information - Part IV	N/A
<b>Other Supplementary Information</b>	
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 Schedule 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	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	N/A
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

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

<b>FINANCIAL SECTION (CONT'D)</b>	<u>Page</u>
<b>Other Supplementary Information (Cont'd)</b>	
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
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, Schedule B	43

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Position by Component	46
J-2 Changes in Net Position	47
J-3 Fund Balances - Governmental Funds	48
J-4 Changes in Fund Balances - Governmental Funds	49
J-5 General Fund Other Local Revenue by Source	50

**Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	52
J-7 Direct and Overlapping Property Tax Rates	53
J-8 Principal Property Taxpayers	54
J-9 Property Tax Levies and Collections	55

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

<b>STATISTICAL SECTION (Unaudited) (Cont'd)</b>		<u>Page</u>
<b>Debt Capacity</b>		
J-10	Ratios of Outstanding Debt by Type	57
J-11	Ratios of General Bonded Debt Outstanding	58
J-12	Direct and Overlapping Governmental Activities Debt	58
J-13	Legal Debt Margin Information	60
<b>Demographic and Economic Information</b>		
J-14	Demographic and Economic Statistics	62
J-15	Principal Employers	63
<b>Operating Information</b>		
J-16	Full-time Equivalent District Employees by Function/Program	65
J-17	Operating Statistics	66
J-18	School Building Information	67
J-19	Schedule of Required Maintenance Expenditures by School Facility	68
J-20	Insurance Schedule	69
 <b>SINGLE AUDIT SECTION</b> 		
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
	Schedule of Findings and Questioned Costs:	
K-6	Summary of Auditor's Results	N/A
K-7	Schedule of Current Year Findings	N/A
K-8	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	N/A
 <b>FINDINGS AND RECOMMENDATIONS SECTION</b> 		
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-7	Schedule of Findings and Recommendations	71
K-8	Summary Schedule of Prior Year Audit Findings	72

## **INTRODUCTORY SECTION**

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

February 22, 2019

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, 2018, 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 and each major fund 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. 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.

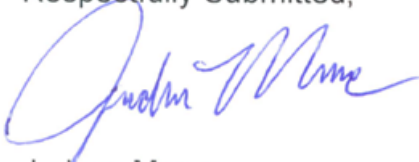
**9) RISK MANAGEMENT:** The District carries School Boards Legal Liability and Surety Bond insurance.

**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.

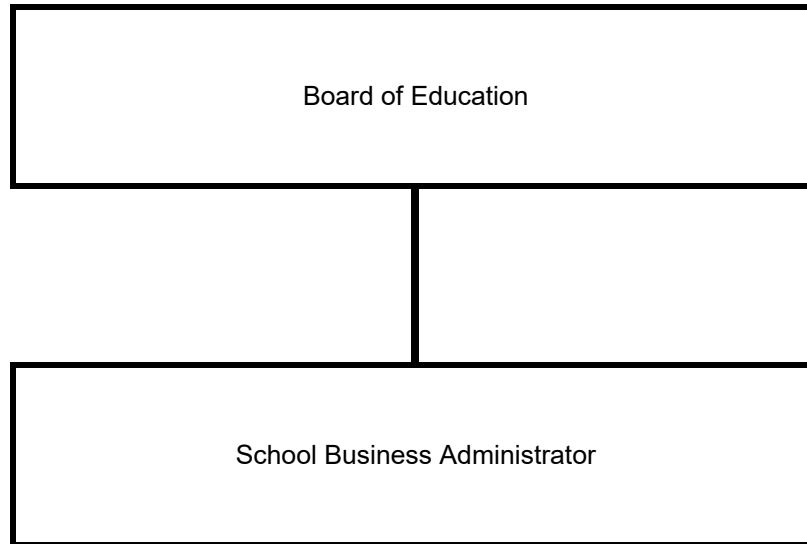
Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Judson Moore". The signature is fluid and cursive, with a large initial "J" and "M".

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, 2018**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

April Howard	2020
Robert Kilgore	2020
James Perloff	2019
Lori Perloff	2018
Maureen Kelly-Smith	2019

**OTHER OFFICIALS**

Judson Moore, Business Administrator / Board Secretary

Dorothy A. Tomlin, Administrative Assistant

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**June 30, 2018**

**AUDIT FIRM**

Fred S. Caltabiano  
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, 2018, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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, 2018, 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 February 22, 2019 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 solely 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 the effectiveness of the Borough of West Wildwood School District's 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Fred S. Caltabiano*

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

Woodbury, New Jersey  
February 22, 2019



**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, 2018, 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 February 22, 2019.

**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, 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*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Fred S. Caltabiano*

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

Woodbury, New Jersey  
February 22, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

## BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(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, 2018 and 2017. 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 \$1,266,013.51 (net position).
- The District's total net position increased by \$315,247.39.

### **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, 2018  
(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 2018 and 2017.

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 1,267,013.51	\$ 960,988.12	\$ 306,025.39	31.84%
Total Assets	<u>1,267,013.51</u>	<u>960,988.12</u>	<u>306,025.39</u>	<u>31.84%</u>
Deferred Outflow of Resources	-	-	-	0.00%
Other Liabilities	1,000.00	10,222.00	(9,222.00)	-90.22%
Total Liabilities	<u>1,000.00</u>	<u>10,222.00</u>	<u>(9,222.00)</u>	<u>-90.22%</u>
Deferred Inflow of Resources	-	-	-	0.00%
Net Position:				
Restricted	1,016,013.51	700,766.12	315,247.39	44.99%
Unrestricted	<u>250,000.00</u>	<u>250,000.00</u>	-	<u>0.00%</u>
Total Net Position	<u>\$ 1,266,013.51</u>	<u>\$ 950,766.12</u>	<u>\$ 315,247.39</u>	<u>33.16%</u>

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited) (Cont'd)

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

Table 2 reflects changes in net position for fiscal years 2018 and 2017.

<b>Revenues:</b>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
General Revenues:				
Property taxes	\$ 1,145,956.00	\$ 1,232,343.00	\$ (86,387.00)	-7.01%
Federal & State Grants	40,543.00	40,334.00	209.00	0.52%
Other	<u>4,332.56</u>	<u>5,184.37</u>	<u>(851.81)</u>	<u>-16.43%</u>
<b>Total Revenues</b>	<u>1,190,831.56</u>	<u>1,277,861.37</u>	<u>(87,029.81)</u>	<u>-6.81%</u>
<b>Expenses:</b>				
Governmental activities				
Support services:				
Tuition	727,563.28	819,522.01	(91,958.73)	-11.22%
Attendance and Social Work	2,428.00	2,616.00	(188.00)	-7.19%
General Administrative Services	8,582.92	10,734.00	(2,151.08)	-20.04%
Central Services	9,572.00	9,384.00	188.00	2.00%
Plant operations and Maintenance	4,881.31	5,341.38	(460.07)	-8.61%
Student Transportation	98,313.18	94,780.01	3,533.17	3.73%
Unallocated benefits	955.48	966.24	(10.76)	-1.11%
Transfer of Funds to Charter Schools	<u>23,288.00</u>	<u>-</u>	<u>23,288.00</u>	
<b>Total Expenses</b>	<u>875,584.17</u>	<u>943,343.64</u>	<u>(67,759.47)</u>	<u>-7.18%</u>
Net Increase (Decrease) in Net Position	315,247.39	334,517.73	(19,270.34)	
Beginning Net Position	<u>950,766.12</u>	<u>616,248.39</u>	<u>334,517.73</u>	
Ending Net Position	<u>\$ 1,266,013.51</u>	<u>\$ 950,766.12</u>	<u>\$ 315,247.39</u>	<u>33.16%</u>

**Governmental-Type Activities**

- Tuition to North Wildwood in FY18 was \$499,665.00 compared to \$507,883.00 in FY17.
- Tuition to County Special Services District per the State of NJ in FY18 was \$53,109.00 compared to \$116,600.00 in FY17.
- Tuition/payments to Wildwood in FY18 was \$45,231.28 compared to \$29,284.01 in FY17.
- Tuition to Cape May Vo-tech in FY18 was \$77,948.00 compared to \$88,477.00 in FY17.
- Payments to Cape May Special Services for transportation/tuition in FY18 was \$143,923.18 compared to \$128,052.01 in FY17.
- FY18 had \$23,288.00 paid to Charter Schools compared to none in FY17.
- FY17 had \$32,306.00 paid to the State for tuition, compared to none in FY18.
  
- Property taxes decreased \$86,387.00 from the prior year.

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited) (Cont'd)

---

**General Fund Budgetary Highlights**

The original and final budgetary basis anticipated revenue was \$1,186,390.00, actual revenues were \$1,190,831.56.

The original and final budgetary basis expenditures was \$1,416,934.00, actual expenditures were \$875,584.17.

**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 \$1,266,013.51, an increase of \$315,247.39 in comparison with the prior year.

Of the ending fund balance of \$1,266,031.51, \$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 2018-2019 budget of \$470,222.12 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 2017-18 school year, the District was able to sustain its budget through property taxes and state aid.

The 2018-19 budget was adopted with a \$156,741.00 tax levy decrease.

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, 2018

---

	Governmental <u>Activities</u>
ASSETS:	
Cash and Cash Equivalents	<u>\$ 1,267,013.51</u>
LIABILITIES:	
Accounts Payable	<u>1,000.00</u>
NET POSITION:	
Restricted for:	
Other Purposes	1,016,013.51
Unrestricted	<u>250,000.00</u>
Total Net Position	<u><u>\$ 1,266,013.51</u></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, 2018

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Support Services:						
Tuition	\$ 727,563.28				\$ (727,563.28)	\$ (727,563.28)
Attendance and Social Work	2,428.00				(2,428.00)	(2,428.00)
General Administrative Services	8,582.92				(8,582.92)	(8,582.92)
Central Services	9,572.00				(9,572.00)	(9,572.00)
Plant Operations and Maintenance	4,881.31				(4,881.31)	(4,881.31)
Student Transportation	98,313.18				(98,313.18)	(98,313.18)
Unallocated Benefits	955.48				(955.48)	(955.48)
Transfer of Funds to Charter Schools	23,288.00				(23,288.00)	(23,288.00)
<b>Total Governmental Activities</b>	<b>875,584.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(875,584.17)</b>	<b>(875,584.17)</b>
<b>Total Government</b>	<b>\$ 875,584.17</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (875,584.17)</b>	<b>\$ (875,584.17)</b>
General Revenues:						
Property Taxes, Levied for General Purposes					\$ 1,145,956.00	\$ 1,145,956.00
State Aid - Unrestricted					40,543.00	40,543.00
Miscellaneous					4,332.56	4,332.56
<b>Total General Revenues</b>					<b>1,190,831.56</b>	<b>1,190,831.56</b>
<b>Change in Net Position</b>					<b>315,247.39</b>	<b>315,247.39</b>
<b>Net Position -- July 1</b>					<b>950,766.12</b>	<b>950,766.12</b>
<b>Net Position -- June 30</b>					<b>\$ 1,266,013.51</b>	<b>\$ 1,266,013.51</b>

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, 2018

---

	<u>General Fund</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	<u>\$ 1,267,013.51</u>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts Payable	<u>\$ 1,000.00</u>
 <b>Fund Balances:</b>	
<b>Restricted:</b>	
Excess Surplus - Current Year	545,791.39
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	470,222.12
Unassigned	<u>250,000.00</u>
 Total Fund Balances	 <u>1,266,013.51</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,267,013.51</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, 2018

---

	<u>General Fund</u>
REVENUES:	
Local Tax Levy	\$ 1,145,956.00
Miscellaneous Revenues	4,332.56
State Sources	<u>40,543.00</u>
Total Revenues	<u>1,190,831.56</u>
EXPENDITURES:	
Current:	
Support Services and Undistributed Costs:	
Tuition	727,563.28
Attendance and Social Work	2,428.00
General Administrative Services	8,582.92
Central Services	9,572.00
Plant Operations and Maintenance	4,881.31
Student Transportation	98,313.18
Unallocated Benefits	955.48
Transfer of Funds to Charter Schools	<u>23,288.00</u>
Total Expenditures	<u>875,584.17</u>
Excess (Deficiency) of Revenues over Expenditures	315,247.39
Fund Balance -- July 1	<u>950,766.12</u>
Fund Balance -- June 30	<u>\$ 1,266,013.51</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, 2018

---

**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 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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. 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.

**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 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. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. 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 financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 internal/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 appropriated 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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 School District implemented the following GASB Statements for the fiscal year ended June 30, 2018:

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 adoption of this Statement had no impact on the basic financial statements of the School District

Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). 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 that will become effective for the School District for fiscal years ending after June 30, 2018:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an 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, 2018, the School District's bank balance of \$1,300,563.60 was insured by FDIC and GUDPA.

**Note 3: LONG-TERM LIABILITIES**

As of June 30, 2018, 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, 2018 is \$545,791.39. Additionally, \$470,222.12 of excess fund balance generated during 2016-2017 has been restricted and designated for utilization in the 2018-2019 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, 2018, \$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, 2018

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,145,956.00	\$ -	\$ 1,145,956.00	\$ 1,145,956.00	\$ -
Miscellaneous	100.00	-	100.00	4,332.56	4,232.56
<b>Total - Local Sources</b>	<b>1,146,056.00</b>	<b>-</b>	<b>1,146,056.00</b>	<b>1,150,288.56</b>	<b>4,232.56</b>
State Sources:					
Transportation Aid	2,389.00	-	2,389.00	2,389.00	-
Special Education Aid	33,700.00	-	33,700.00	33,700.00	-
Security Aid	2,835.00	-	2,835.00	3,044.00	209.00
PARCC Readiness Aid	520.00	-	520.00	520.00	-
Per Pupil Growth Aid	520.00	-	520.00	520.00	-
Professional Learning Community Aid	370.00	-	370.00	370.00	-
<b>Total - State Sources</b>	<b>40,334.00</b>	<b>-</b>	<b>40,334.00</b>	<b>40,543.00</b>	<b>209.00</b>
<b>Total Revenues</b>	<b>1,186,390.00</b>	<b>-</b>	<b>1,186,390.00</b>	<b>1,190,831.56</b>	<b>4,441.56</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures - Instruction:					
Tuition - Other LEAs Within the State - Regular	609,397.00	(23,288.00)	586,109.00	544,896.28	41,212.72
Tuition - COMPACT	74,076.00	-	74,076.00	-	74,076.00
Tuition - County Voc. School District - Regular	80,000.00	-	80,000.00	77,948.00	2,052.00
Tuition - CSSD & Regional Day Schools	480,761.00	-	480,761.00	104,719.00	376,042.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,244,234.00</b>	<b>(23,288.00)</b>	<b>1,220,946.00</b>	<b>727,563.28</b>	<b>493,382.72</b>

(Continued)

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Undistributed Expenditures - Support Services - Attendance & Social Work:					
Salaries	\$ 2,428.00	\$ -	\$ 2,428.00	\$ 2,428.00	\$ -
Total Undistributed Expenditures - Support Services - Attendance & Social Work	2,428.00	-	2,428.00	2,428.00	-
Undistributed Expenditures - Support Services - General Administration:					
Salaries	1,000.00	-	1,000.00	1,000.00	-
Legal Services	15,000.00	-	15,000.00	211.60	14,788.40
Audit Fees	6,000.00	-	6,000.00	4,500.00	1,500.00
Other Purchased Services	2,400.00	-	2,400.00	264.00	2,136.00
General Supplies	2,000.00	-	2,000.00	869.67	1,130.33
Miscellaneous Expenditures	1,500.00	-	1,500.00	-	1,500.00
BOE Membership Dues and Fees	3,000.00	-	3,000.00	1,737.65	1,262.35
Total Undistributed Expenditures - Support Services - General Administration	30,900.00	-	30,900.00	8,582.92	22,317.08
Undistributed Expenditures - Central Services:					
Salaries	9,572.00	-	9,572.00	9,572.00	-
Total Undistributed Expenditures - Central Services	9,572.00	-	9,572.00	9,572.00	-
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Insurance	8,000.00	-	8,000.00	4,881.31	3,118.69
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	8,000.00	-	8,000.00	4,881.31	3,118.69
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - (Reg. Students) - ESC's & CTSA's	120,000.00	-	120,000.00	98,313.18	21,686.82
Total Undistributed Expenditures - Student Transportation Services	120,000.00	-	120,000.00	98,313.18	21,686.82

(Continued)

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2018

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,800.00	\$ -	\$ 1,800.00	\$ 955.48	\$ 844.52
Total Unallocated Benefits - Employee Benefits	1,800.00	-	1,800.00	955.48	844.52
Total Undistributed Expenditures	1,416,934.00	(23,288.00)	1,393,646.00	852,296.17	541,349.83
Transfer of Funds to Charter Schools	-	23,288.00	23,288.00	23,288.00	-
Total Current Expense	1,416,934.00	-	1,416,934.00	875,584.17	541,349.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,544.00)	-	(230,544.00)	315,247.39	545,791.39
Fund Balances, July 1	950,766.12	-	950,766.12	950,766.12	-
Fund Balances, June 30	\$ 720,222.12	\$ -	\$ 720,222.12	\$ 1,266,013.51	\$ 545,791.39
Recapitulation:					
Restricted:					
Excess Surplus - Current Year				\$ 545,791.39	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				470,222.12	
Unassigned				250,000.00	
				1,266,013.51	
Reconciliation to Governmental Funds Statements(GAAP):					
June 2018 State Aid Payments Not Recognized on GAAP Basis				-	
				\$ 1,266,013.51	

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**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2018

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017		
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Special Education Categorical Aid	495-034-5120-089	\$ 33,700.00	7-1-2017	6-30-2018			
Security Aid	495-034-5120-084	3,044.00	7-1-2017	6-30-2018			
Per Pupil Growth Aid	495-034-5120-097	520.00	7-1-2017	6-30-2018			
PARCC Readiness Aid	495-034-5120-098	520.00	7-1-2017	6-30-2018			
Professional Learning Community Aid	495-034-5120-101	370.00	7-1-2017	6-30-2018			
Total State Aid - Public Cluster					-	-	-
Categorical Transportation Aid	495-034-5120-014	2,389.00	7-1-2017	6-30-2018			
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, 2018			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 33,700.00	\$ (33,700.00)							\$ 33,700.00	
3,044.00	(3,044.00)							3,044.00	
520.00	(520.00)							520.00	
520.00	(520.00)							520.00	
370.00	(370.00)							370.00	
38,154.00	(38,154.00)	-	-	-	-	-	-	-	38,154.00
2,389.00	(2,389.00)								2,389.00
2,389.00	(2,389.00)	-	-	-	-	-	-	-	2,389.00
40,543.00	(40,543.00)	-	-	-	-	-	-	-	40,543.00
\$ 40,543.00	\$ (40,543.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,543.00



**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>2018</u>	<u>2017</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>
Governmental Activities										
Restricted	1,016,013.51	700,766.12	366,248.39	451,700.82	452,165.33	136,168.75	-	-	-	-
Unrestricted	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	209,915.12	187,563.34	335,667.17	372,426.99
Total Governmental Activities Net Position	<u>1,266,013.51</u>	<u>950,766.12</u>	<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>
Government-Wide										
Restricted	1,016,013.51	700,766.12	366,248.39	451,700.82	452,165.33	136,168.75	-	-	-	-
Unrestricted	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	209,915.12	187,563.34	335,667.17	372,426.99
Total Government-Wide Net Position	<u>1,266,013.51</u>	<u>950,766.12</u>	<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>

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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>										
Governmental Activities										
Support Services:										
Tuition	727,563.28	819,522.01	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
Attendance and Social Work	2,428.00	2,616.00	2,800.00	2,980.00	3,157.00	3,330.00	-	-	-	-
General Administrative Services	8,582.92	10,734.00	8,433.73	14,528.38	7,235.86	7,177.39	8,672.71	15,077.77	7,648.68	8,845.13
Central Services	9,572.00	9,384.00	9,200.00	10,619.48	9,566.46	9,582.25	9,252.19	8,784.40	8,549.18	8,225.13
Plant Operations and Maintenance	4,881.31	5,341.38	5,759.90	4,035.80	6,110.00	5,709.00	5,718.00	5,786.00	6,000.00	5,036.00
Student Transportation	98,313.18	94,780.01	83,455.30	68,006.98	45,825.70	15,515.98	21,582.31	20,718.99	28,046.84	16,938.38
Unallocated Benefits	955.48	966.24	955.48	-	-	-	-	-	-	-
Charter Schools	23,288.00	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	875,584.17	943,343.64	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
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(875,584.17)	(943,343.64)	(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)
Total Government-Wide Net Expense	(875,584.17)	(943,343.64)	(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)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	1,145,956.00	1,232,343.00	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
Federal and State Aid Not Restricted	40,543.00	40,334.00	39,176.00	39,176.00	38,136.00	35,671.00	32,631.00	28,922.00	70,352.00	72,676.00
Miscellaneous Income	4,332.56	5,184.37	183.13	22,340.03	53.46	36.09	5,528.99	148.33	17,624.88	6,755.26
Total Governmental Activities	1,190,831.56	1,277,861.37	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
Total Government-Wide	1,190,831.56	1,277,861.37	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
<b>Change in Net Position</b>										
Governmental Activities	315,247.39	334,517.73	(85,452.43)	(464.51)	315,996.58	176,253.63	22,351.78	(148,103.83)	(36,759.82)	130,506.87
Total Government-Wide	315,247.39	334,517.73	(85,452.43)	(464.51)	315,996.58	176,253.63	22,351.78	(148,103.83)	(36,759.82)	130,506.87

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>2018</u>	<u>2017</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>
General Fund										
Unreserved	-	-	-	-	-	-	-	-	335,667.17	372,426.99
Restricted	1,016,013.51	700,766.12	366,248.39	451,700.82	452,165.33	136,168.75	-	-	-	-
Unassigned	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	209,915.12	132,060.34	-	-
Total General Fund	<u>1,266,013.51</u>	<u>950,766.12</u>	<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>132,060.34</u>	<u>335,667.17</u>	<u>372,426.99</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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Tax Levy	1,145,956.00	1,232,343.00	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
Miscellaneous Revenues	4,332.56	5,184.37	183.13	22,340.03	53.46	36.09	5,528.99	148.33	17,624.88	6,755.26
State Sources	40,543.00	40,334.00	39,176.00	39,176.00	38,136.00	35,671.00	32,555.00	6,202.00	70,352.00	72,676.00
Federal Sources	-	-	-	-	-	-	76.00	22,720.00	-	-
<b>Total Revenue</b>	<b>1,190,831.56</b>	<b>1,277,861.37</b>	<b>1,271,702.13</b>	<b>1,388,023.03</b>	<b>1,309,274.46</b>	<b>1,308,896.09</b>	<b>1,432,170.99</b>	<b>1,425,160.33</b>	<b>1,217,452.88</b>	<b>1,165,466.26</b>
<b>Expenditures</b>										
Support Services:										
Tuition	727,563.28	819,522.01	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
Attendance and Social Work	2,428.00	2,616.00	2,800.00	2,980.00	3,157.00	3,330.00	-	-	-	-
General Administrative Services	8,582.92	10,734.00	8,433.73	14,528.38	7,235.86	7,177.39	8,672.71	15,077.77	7,648.68	8,845.13
Central Services	9,572.00	9,384.00	9,200.00	10,619.48	9,566.46	9,582.25	9,252.19	8,784.40	8,549.18	8,225.13
Plant Operations and Maintenance	4,881.31	5,341.38	5,759.90	4,035.80	6,110.00	5,709.00	5,718.00	5,786.00	6,000.00	5,036.00
Student Transportation	98,313.18	94,780.01	83,455.30	68,006.98	45,825.70	15,515.98	21,582.31	20,718.99	28,046.84	16,938.38
Unallocated Benefits	955.48	966.24	955.48	-	-	-	-	-	-	-
Charter Schools	23,288.00	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>875,584.17</b>	<b>943,343.64</b>	<b>1,357,154.56</b>	<b>1,388,487.54</b>	<b>993,277.88</b>	<b>1,132,642.46</b>	<b>1,409,819.21</b>	<b>1,573,264.16</b>	<b>1,254,212.70</b>	<b>1,034,959.39</b>
<b>Net Change in Fund Balances</b>	<b>315,247.39</b>	<b>334,517.73</b>	<b>(85,452.43)</b>	<b>(464.51)</b>	<b>315,996.58</b>	<b>176,253.63</b>	<b>22,351.78</b>	<b>(148,103.83)</b>	<b>(36,759.82)</b>	<b>130,506.87</b>
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>2018</u>	<u>2017</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>
Miscellaneous Revenue										
Tuition	-	-	-	22,257.51	-	-	-	-	5,910.00	-
Interest	123.56	66.37	83.15	82.52	53.46	36.09	97.99	148.33	589.23	622.88
Miscellaneous	4,209.00	5,118.00	99.98	-	-	-	5,431.00	-	11,125.65	6,132.38
Total Miscellaneous Revenues	<u>4,332.56</u>	<u>5,184.37</u>	<u>183.13</u>	<u>22,340.03</u>	<u>53.46</u>	<u>36.09</u>	<u>5,528.99</u>	<u>148.33</u>	<u>17,624.88</u>	<u>6,755.26</u>

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 <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2018	10,264,400	191,196,200	6,685,600	471,000	208,617,200	72,032	208,689,232	217,132,394	0.512
2017 <b>R</b>	10,525,800	191,804,800	6,685,600	471,000	209,487,200	75,099	209,562,299	233,078,313	0.568
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

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

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

**R** - Revaluation

**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>	
2018	0.512	-	0.512	1.018	0.278	1.808
2017 <b>R</b>	0.568	-	0.568	0.952	0.292	1.812
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

**R** - Revaluation

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>	2018			2009		
	<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	1,845,400	1	0.88%			
Mosley, LYN	1,268,100	2	0.61%			
Taxpayer 1	1,241,900	3	0.60%			
VIN, LLC	1,231,600	4	0.59%			
Taxpayer 2	1,157,000	5	0.55%	Information Not Available		
Taxpayer 3	1,093,100	6	0.52%			
Taxpayer 4	1,055,400	7	0.51%			
Taxpayer 5	1,045,800	8	0.50%			
Taxpayer 6	1,013,500	9	0.49%			
Taxpayer 7	1,005,900	10	0.48%			
<b>Total</b>	<b>11,957,700</b>		<b>5.73%</b>	<b>-</b>		

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	
2018	1,145,956.00	1,145,956.00	100.00%	-
2017	1,232,343.00	1,232,343.00	100.00%	-
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%	-

(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			
2018						
2017						
2016						
2015						
2014						
2013						
2012						
2011						
2010						
2009						

**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		
2018					
2017					
2016					
2015					
2014					
2013					
2012					
2011					
2010					
2009					

**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, 2017  
*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) County of Cape May	4,570,758.17 Not Available	100.00%	4,570,758.17 <hr/>
Subtotal, overlapping debt			4,570,758.17
Borough of West Wildwood School District Direct Debt	none	100.00%	<hr/> -
Total direct and overlapping debt			<hr/> <u>4,570,758.17</u>

Sources:  
 (1) Borough of West Wildwood Audit Report - December 31, 2017



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

**Legal Debt Margin Calculation for Fiscal Year 2018**

		<u>Equalized Valuation Basis (1)</u>
	2017	217,807,444.00
	2016	232,999,245.00
	2015	<u>225,763,736.00</u>
	[A]	<u>676,570,425.00</u>
	Average equalized valuation of taxable property	[A/3] 225,523,475.00
	Debt limit (3% of average equalization value) (2)	[B] 6,765,704.25
	Total Net Debt Applicable to Limit	[C] <u>-</u>
	Legal Debt Margin	[B-C] <u>6,765,704.25</u>

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</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>
Debit Limit	6,765,704.25	6,973,343.42	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
Total net debt applicable to limit (3)	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>6,765,704.25</u>	<u>6,973,343.42</u>	<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>

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 NJS A 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>
2017	566	Unavailable	Unavailable	12.40%
2016	568	31,163,320.00	54,865.00	14.10%
2015	572	30,492,748.00	53,309.00	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%

(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	2018			2009		
	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*

---

<b><u>Function/Program</u></b>	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</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>
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 <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2018	34	875,584.17	25,752.48	-18%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	30	943,343.64	31,444.79	-5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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

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>2018</u>	<u>2017</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>
<b><u>District Building</u></b>										

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>2018</u>	<u>2017</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>* School Facilities</u>	<u>School Number</u>	<u>Project # (s)</u>										

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, 2018

*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, 2018

---

***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.

No Current Year Findings.

**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.