

SCHOOL DISTRICT
OF
BOROUGH

OF
WILDWOOD CREST

Borough of Wildwood Crest Board of Education
Wildwood Crest, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

**Borough of Wildwood Crest
Board of Education**

Wildwood Crest, New Jersey

**Comprehensive Annual
Financial Report**

For the Year Ended June 30, 2015

Prepared by

Ford Scott & Associates
Certified Public Accountants

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Introductory Section

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**SCHOOL DISTRICT OF WILDWOOD CREST
BOARD OF EDUCATION
9100 Pacific Avenue
Wildwood Crest, NJ 08260**

November 30, 2015

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Borough of Wildwood Crest School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

REPORTING ENTITY AND ITS SERVICES: The Borough of Wildwood Crest School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14 as established by NCGA Statement No. 3. All funds of the District are included in this report. The Borough of Wildwood Crest Board of Education and all its schools constitute the District's reporting entity.

Students in grades K to 8 attend the Wildwood Crest Board of Education's Memorial School, and students in grades 9 through 12 attend the Wildwood High School as tuition students. All of the District's students, regardless of their location, receive a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District's total enrollment (including students in high school, the technical school, etc.) in fiscal year 2015 was 288 students. The total enrollment at the Crest Memorial School (grades K-8) was 257.

The following details the changes in the total student enrollment of the District over the last ten years:

Fiscal Year	Total Enrollment	Memorial School Enrollment	% Change of Total Enrollment
2014-15	288	254	-5.56%
2013-14	304	251	1.32%
2012-13	300	257	-2.91%
2011-12	309	273	-0.64%
2010-11	311	263	-10.63%
2009-10	348	300	-4.92%
2008-09	366	271	6.09%
2007-08	345	259	-1.43%
2006-07	350	262	10.41%
2005-06	317	289	9.69%

ECONOMIC CONDITION AND OUTLOOK: The Wildwood Crest community has an economy based on tourism. Due to the national and regional recession the community is undergoing a contraction in jobs. Additionally, some property owners are now renting their properties as a means of keeping the home. Combined these have contributed to a decline in enrollment and changes in the demographics of the school's population. State cuts in school aid is also having an impact on the school resulting in fewer instructional staff and fewer instructional options.

MAJOR INITIATIVES: Over the course of the fiscal year 2015 the District the Board of Education has maintained their on-going preventative maintenance to the best of their ability and has been exploring ways to become more energy efficient.

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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2015.

ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements," Note 1.

FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

DEBT ADMINISTRATION: At June 30, 2015, the District had no outstanding debt.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements," Note 3. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1980 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION:

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

ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Wildwood Crest Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

David Delconte

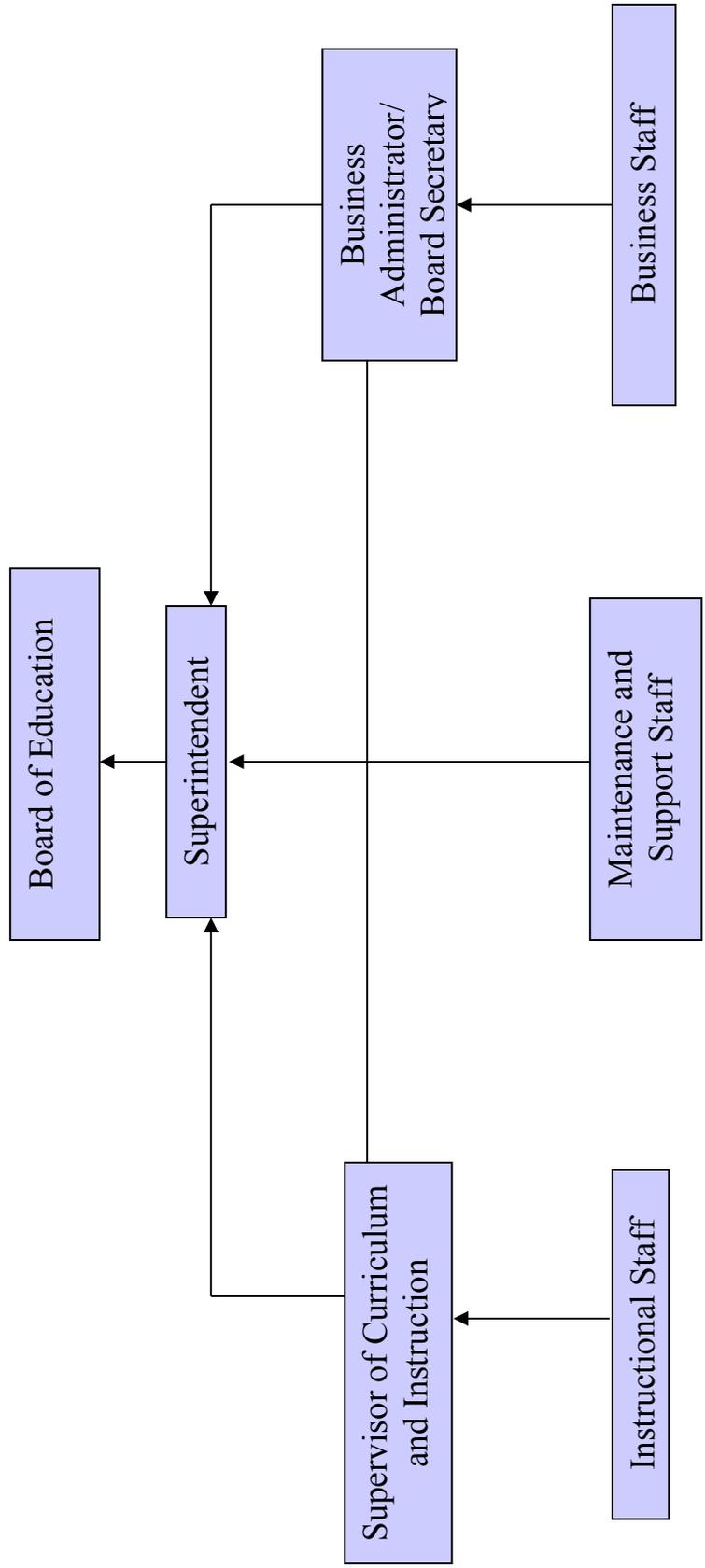
David Delconte
Superintendent

Judson Moore

Judson Moore
Interim Business Administrator/
Board Secretary

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT

ORGANIZATIONAL CHART



BOROUGH OF WILDWOOD CREST BOARD OF EDUCATION
COUNTY OF CAPE MAY NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2015

Members of the Board of Education

Term Expires

Joseph Schiff, President	2017
James Bradley, Vice-President	2015
William Morey	2015
James Johnson	2016
Michael Hawthorne	2016

Other Officials

David Rauenzahn, Interim Superintendent

Anne-Marie Fala, Business Administrator/Board Secretary (through May 1, 2015)

Judson Moore, Business Administrator/Board Secretary (effective May 20, 2015)

Neil Young, Treasurer

Will Donio, Esq., Solicitor

BOROUGH OF WILDWOOD CREST BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

Will Donio, Esq.
Cooper, Levenson, Attorneys At Law
1125 Atlantic Avenue
Atlantic City, N.J. 08401

OFFICIAL DEPOSITORY

Crest Savings Bank
9800 Pacific Avenue
Wildwood Crest, New Jersey 08260

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Wildwood Crest School District, in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Wildwood Crest School District, in the County of Cape May, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of the Borough of Wildwood Crest School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wildwood Crest School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C

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

Michael S. Garcia

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

November 30, 2015

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Required Supplementary Information – Part I

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**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of Wildwood Crest School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, net position increased \$167,478.82, which represents a 3 percent increase from 2014.
- General revenues accounted for \$7,339,428.88 in revenue or 84 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grant and contributions accounted for \$1,413,545.04, or 16 percent of total revenues of \$8,761,847.77.
- Total assets of governmental activities increased by \$173,341.46 due to an increase in receivables and deferred outflows related to pensions.
- The School District had \$8,594,368.95 in expenses; only \$1,422,418.89 of these expenses was offset by program specific charges for services, grants or contributions, or Capital Grants & Contributions. General revenues (primarily taxes) of \$7,339,428.88 did sufficiently offset the cost of these programs.
- Among governmental funds, the General Fund had \$7,848,885.34 in revenues and \$7,514,598.26 in expenditures. The General Fund's fund balance increased \$334,287.08 from 2014.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Changes in Net Position, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Reporting the School District's Most Significant Funds (Continued)

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found in this report as shown in the table of contents.

The School District as a Whole

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following provides a summary of the School District's net position for 2015 and 2014. Net position was restated as of June 30, 2014 as required by implementation of GASB 68.

	2015	2014
Assets		
Current and Other Assets	\$ 2,199,235.84	1,961,241.79
Capital Assets	5,068,157.65	5,155,131.90
Total Assets	7,267,393.49	7,116,373.69
Liabilities		
Long-Term Liabilities	1,665,854.88	1,662,488.86
Other Liabilities	187,550.59	207,375.63
Total Liabilities	1,853,405.47	1,869,864.49
Net Position		
Net Investment in Capital Assets	5,068,157.65	5,155,131.90
Restricted	1,350,277.19	928,935.04
Unrestricted	(1,004,446.82)	(837,557.74)
Total Net Position	\$ 5,413,988.02	5,246,509.20

The District's combined net position was \$5,413,988.02 on June 30, 2015. This was an increase of 3 percent from the prior year.

**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

	2015 Amount	2015 Percentage	2014 Amount	2014 Percentage
Property taxes	\$ 6,619,118.00	75.54%	6,480,013.00	81.51%
Unrestricted Federal and State aid	637,075.00	7.27%	994,320.67	12.51%
Tuition	-	0.00%	52,328.90	0.66%
Miscellaneous	92,109.73	1.05%	101,318.73	1.27%
Operating grants and contributions	1,413,545.04	16.13%	322,048.22	4.05%
Totals	\$ 8,761,847.77	100.00%	7,950,029.52	100.00%

Governmental & Business-Type Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2015 and 2014 fiscal years.

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**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

	Governmental Activities		Business-type Activities		Totals	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenue						
Charges for services	\$ -	52,328.90	8,873.85	9,169.73	8,873.85	61,498.63
Federal and state grants	1,366,175.16	290,200.13	47,369.88	31,848.09	1,413,545.04	322,048.22
General revenues						
Property taxes	6,619,118.00	6,480,013.00			6,619,118.00	6,480,013.00
State aid entitlements	637,075.00	994,320.67			637,075.00	994,320.67
Miscellaneous	83,188.80	92,125.36	47.08	23.64	83,235.88	92,149.00
Total revenues	8,705,556.96	7,908,988.06	56,290.81	41,041.46	8,761,847.77	7,950,029.52
Expenses						
Instruction:						
Regular	3,142,711.77	2,698,511.92			3,142,711.77	2,698,511.92
Special Education	775,203.71	683,231.45			775,203.71	683,231.45
Other special	321,643.28	283,267.40			321,643.28	283,267.40
Support services:						
Tuition	1,432,142.80	1,416,294.36			1,432,142.80	1,416,294.36
Student & instruction	1,315,758.65	1,080,048.12			1,315,758.65	1,080,048.12
School admin services	172,837.59	195,767.95			172,837.59	195,767.95
Plant operations/maint	860,709.50	846,207.04			860,709.50	846,207.04
Pupil transportation	248,193.70	160,110.45			248,193.70	160,110.45
Business support svcs	196,528.08	120,477.48				120,477.48
Capital outlay	50,027.00	28,667.00			50,027.00	
Business-type activities			78,612.47	66,290.48	78,612.47	66,290.48
Total expenses	8,515,756.08	7,512,583.17	78,612.47	66,290.48	8,397,840.47	7,550,206.65
Excess (Deficiency)						
Extraordinary and Special items	189,800.88	396,404.89	(22,321.66)	(25,249.02)	167,479.22	371,155.87
Transfers	-	(11,500.00)	-	11,500.00	-	-
Increase (decrease) in net position	\$ 189,800.88	384,904.89	(22,321.66)	(13,749.02)	167,479.22	371,155.87

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$2,099,005.19 which is \$331,313.08 higher than the beginning of the year. In addition to the analysis discussed at Financial Highlights and Financial Analysis of the District as a Whole, this increase is also due to the increase in taxes as well as federal and state grants. Also, the District continues to monitor spending on an ongoing basis to ensure actual expenditures stay within the budget.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office. Transfers of appropriations may be made by Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the board and under certain circumstances require approval by the Executive County Superintendent of Schools. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, which are not budgeted, the District's actual revenue was over the budget by \$79,188.80. This is a result of realizing additional miscellaneous. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, actual expenditures were below the budgeted appropriations by \$785,872.35. This is the result of good controls over spending throughout the year. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During the 2015 fiscal year, the District did not invest in any significant capital assets or projects. The decrease is mainly due to the acquisition of various items of equipment offset by depreciation on the various property and equipment owned by the District.

	<u>2015</u>	<u>2014</u>
Land	\$ 825,150.00	825,150.00
Land Improvements	22,541.83	24,587.79
Buildings	3,968,006.32	4,124,818.65
Machinery and Equipment	252,460.22	180,576.18
Total	<u>\$ 5,068,158.37</u>	<u>5,155,132.62</u>

Overall capital assets decreased \$86,974.25 from fiscal year 2014 to fiscal year 2015 due primarily to depreciation. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2015, the School District had \$271,731.88 of outstanding debt. The full amount is for compensated absences.

	<u>2015</u>	<u>2014</u>
Compensated Absences	\$ 271,731.88	208,265.86
Total	<u>\$ 271,731.88</u>	<u>208,265.86</u>

**WILDWOOD CREST SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

For the Future

The Wildwood Crest School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes coupled with flat funding by the State for the past several years. The real prospect of declining state funding is a significant financial concern to the District.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Judson Moore, Interim Business Administrator/Board Secretary at Borough of Wildwood Crest Board of Education, 9100 Pacific Avenue, Wildwood Crest, N.J. 08260, (609) 729-9312.

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Basic Financial Statements

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DISTRICT – WIDE FINANCIAL STATEMENTS

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

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,977,093.19	\$ 3,356.16	\$ 1,980,449.35
Receivables, Net	103,470.73	9,961.76	113,432.49
Internal Funds	41,209.70	(46,208.86)	(4,999.16)
Due from Fiduciary Funds	4,999.16	130.00	5,129.16
Capital Assets, not Depreciable	825,150.00		825,150.00
Capital Assets, Depreciable, Net	4,222,750.42	20,257.23	4,243,007.65
Total Assets	<u>7,174,673.20</u>	<u>(12,503.71)</u>	<u>7,162,169.49</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	105,224.00		105,224.00
Total Deferred Outflows of Resources	<u>105,224.00</u>	<u>-</u>	<u>105,224.00</u>
LIABILITIES			
Unearned Revenue	27,767.59		27,767.59
Accounts Payable	-		-
Noncurrent Liabilities			
Due Beyond One Year	271,731.88		271,731.88
Net Pension Liability	1,394,123.00		1,394,123.00
Total Liabilities	<u>1,693,622.47</u>	<u>-</u>	<u>1,693,622.47</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	159,783.00		159,783.00
Total Deferred Inflows of Resources	<u>159,783.00</u>	<u>-</u>	<u>159,783.00</u>
NET POSITION			
Net Investment in Capital Assets	5,047,900.42	20,257.23	5,068,157.65
Restricted for:			
Other Purposes	1,350,277.19		1,350,277.19
Unrestricted	(971,685.88)	(32,760.94)	(1,004,446.82)
Total Net Position	<u>\$ 5,426,491.73</u>	<u>\$ (12,503.71)</u>	<u>\$ 5,413,988.02</u>

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Statement of Changes in Net Position
For the Year Ended June 30, 2015

Function/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 2,515,741.90	626,969.87	-	519,310.84	-	(2,623,400.93)	-	(2,623,400.93)
Special Education	605,077.55	170,126.16		423,774.87		(351,428.84)		(351,428.84)
Other Special Instruction	251,055.47	70,587.81		58,466.95		(263,176.33)		(263,176.33)
Support Services:								
Tuition	1,432,142.80					(1,432,142.80)		(1,432,142.80)
Student & Instruction Related Services	1,027,035.26	288,723.39		239,295.77		(1,076,462.88)		(1,076,462.88)
Other Administrative Services	130,118.20	42,719.39		14,192.06		(158,645.53)		(158,645.53)
Plant Operation and Maintenance	639,316.88	221,392.62		73,550.14		(787,159.36)		(787,159.36)
Pupil Transportation	183,635.67	64,558.03		21,447.20		(226,746.50)		(226,746.50)
Business and Other Support Services	147,953.23	48,574.85		16,137.33		(180,390.75)		(180,390.75)
School Administration								
Unallocated Benefits	1,533,652.12	(1,533,652.12)				-		-
Capital Outlay	50,027.40					(50,027.40)		(50,027.40)
Transfer to Charter School								
Total Governmental Activities	8,515,756.48	-	-	1,366,175.16	-	(7,149,581.32)	-	(7,149,581.32)
Business-Type Activities:								
Food Service	78,612.47	-	8,873.85	47,369.88	-	(22,368.74)		(22,368.74)
Total Business-Type Activities	78,612.47	-	8,873.85	47,369.88	-	(22,368.74)		(22,368.74)
Total Primary Government	\$ 8,594,368.95	-	8,873.85	1,413,545.04	-	(7,149,581.32)		(7,171,950.06)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net						\$ 6,619,118.00		6,619,118.00
Federal and State Aid not Restricted						637,075.00		637,075.00
Interest Earned on Investments						-	47.08	47.08
Miscellaneous Income						83,188.80		83,188.80
Total General Revenues, Special Items, Extraordinary Items and Transfers						7,339,381.80	47.08	7,339,428.88
Change in Net Position						189,800.48	(22,321.66)	167,478.82
Net Position - Beginning (Restated)						5,236,691.25	9,817.95	5,246,509.20
Net Position - Ending						\$ 5,426,491.73	(12,503.71)	5,413,988.02

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

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,977,093.19	-	1,977,093.19
Interfund Receivables	89,513.27		89,513.27
Receivables, Net			-
Receivables from Other Governments	38,440.73	65,030.00	103,470.73
Total Assets	2,105,047.19	65,030.00	2,170,077.19
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable		43,304.41	43,304.41
Accounts Payable	-	-	-
Unearned Revenue		27,767.59	27,767.59
Total Liabilities	-	71,072.00	71,072.00
Fund Balances:			
Restricted for:			
Subsequent Year's Expenditures	485,216.00		485,216.00
Excess Surplus	865,061.19		865,061.19
Committed Fund Balance			
Capital Reserve	175,000.00		175,000.00
Maintenance Reserve	350,000.00		350,000.00
Assigned to:			
Other Purposes	-	-	-
Subsequent Year's Expenditures	9,361.00		9,361.00
Unassigned, Reported in:			
Special Revenue Fund		(6,042.00)	(6,042.00)
General Fund	220,409.00		220,409.00
Total Fund Balances	2,105,047.19	(6,042.00)	2,099,005.19
Total Liabilities and Fund Balances	\$ 2,105,047.19	65,030.00	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,412,847.45 and the accumulated depreciation is \$3,364,947.03.	5,047,900.42
Pension liabilities net of deferred outflows and inflows	(1,448,682.00)
Long-term liabilities, including bonds, capital lease payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(271,731.88)
Net assets of governmental activities	\$ 5,426,491.73

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources:			
Local Tax Levy	\$ 6,619,118.00	-	6,619,118.00
Tuition	-		-
Interest	-		-
Miscellaneous	83,188.80	97,174.62	180,363.42
Total Local Sources	6,702,306.80	97,174.62	6,799,481.42
State Sources	1,146,578.54	39,259.00	1,185,837.54
Federal Sources	-	146,578.00	146,578.00
Total Revenues	<u>7,848,885.34</u>	<u>283,011.62</u>	<u>8,131,896.96</u>
EXPENDITURES			
Current:			
Regular Instruction	1,792,628.24	285,835.62	2,078,463.86
Special Education Instruction	486,423.63		486,423.63
Other Instruction	201,824.23		201,824.23
Support Services:			
Tuition	1,432,142.80		1,432,142.80
Student & Instruction Related Serv.	825,516.09	150.00	825,666.09
Other Administrative Services	122,143.02		122,143.02
School Administration	-		-
Plant Operation and Maintenance	633,004.37		633,004.37
Pupil Transportation	184,583.90		184,583.90
Business and Other Support Serv.	138,884.90		138,884.90
Employee Benefits	1,533,652.12		1,533,652.12
Capital Outlay	163,794.96		163,794.96
Transfer to Charter Schools	-		-
Total Expenditures	<u>7,514,598.26</u>	<u>285,985.62</u>	<u>7,800,583.88</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>334,287.08</u>	<u>(2,974.00)</u>	<u>331,313.08</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-		-
Transfer out	-		-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	334,287.08	(2,974.00)	331,313.08
Fund Balance - July 1	1,770,760.11	(3,068.00)	1,767,692.11
Fund Balance - June 30	<u>\$ 2,105,047.19</u>	<u>(6,042.00)</u>	<u>2,099,005.19</u>

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	331,313.08
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This amount is the sum of depreciation expenses, plus the net effect of disposal of assets:		
Depreciation expense	(197,355.14)	
Capital Outlays	<u>113,767.56</u>	(83,587.58)
District pension contributions (PERS)	61,385	
Cost of benefits earned net of employee contributions	<u>(55,844)</u>	5,541.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		(63,466.02)
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>189,800.48</u>

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2015

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,356.16
Interfund Receivable	130.00
Intergovernmental Accounts Receivable:	
Federal	9,776.66
State	<u>185.10</u>
Total Current Assets	<u>13,447.92</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	57,302.40
Less: Accumulated Depreciation	<u>(37,045.17)</u>
Total Noncurrent Assets	<u>20,257.23</u>
Total Assets	<u><u>33,705.15</u></u>
LIABILITIES	
Current Liabilities:	
Interfund Payable	<u>46,208.86</u>
Total Current Liabilities	<u>46,208.86</u>
NET POSITION	
Net Investment in Capital Assets	20,257.23
Unrestricted	(32,760.94)
Total Net Position	<u><u>\$ (12,503.71)</u></u>

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2015

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 8,873.85
Total Operating Revenue	<u>8,873.85</u>
Operating Expenses:	
Cost of Sales	51,779.06
Salaries	23,446.74
Depreciation	3,386.67
Total Operating Expenses	<u>78,612.47</u>
Operating Income (Loss)	<u>(69,738.62)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
School Lunch Program	707.65
Federal Sources:	
National School Lunch Program	34,046.44
School Breakfast Program	2,701.51
Food Distribution Program	9,914.28
Interest and Investment Income	47.08
Total Nonoperating Revenues (Expenses)	<u>47,416.96</u>
Income (Loss) before Contributions & Transfers	<u>(22,321.66)</u>
Transfers In (Out)	<u> </u>
Changes in Net Position	(22,321.66)
Total Net Position - Beginning	<u>9,817.95</u>
Total Net Position - Ending	<u><u>\$ (12,503.71)</u></u>

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2015

	<u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 8,873.85
Payments to Employees	(23,446.74)
Payments for Cost of Sales	(51,779.06)
Net Cash Provided by (Used for) Operating Activities	<u>(66,351.95)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	604.42
Federal Sources	29,402.28
Operating Subsidies and Transfers from Other Funds	33,231.02
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>63,237.72</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Interest and Dividends	47.08
Net Cash Provided by (Used for) Investing Activities	<u>47.08</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,067.15)
Balance - Beginning of Year	<u>6,423.31</u>
Balance - End of Year	<u><u>3,356.16</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(69,738.62)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	3,386.67
Total Adjustments	<u>3,386.67</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (66,351.95)</u></u>

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2015

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 9,717.71	\$ 369.39	\$ 28,097.96
Intrafund Receivable	-		
Total Assets	9,717.71	369.39	28,097.96
LIABILITIES			
Interfund Payable			5,129.16
Accounts Payable	245.29		
Payroll Deductions and Withholdings			3,753.11
Payable to Student Groups			19,215.69
Total Liabilities	245.29	-	\$ 28,097.96
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	\$ 9,472.42		
Reserved for Scholarships		\$ 369.39	

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Plan Members	\$ 10,146.81	-
Total Contributions	<u>-</u>	<u>-</u>
Board of Education	<u>10,146.81</u>	<u>-</u>
Investment Earnings:		
Interest	23.77	1.49
Less: Investment Expense		
Net Investment Earnings	<u>23.77</u>	<u>1.49</u>
Total Additions	<u>10,170.58</u>	<u>1.49</u>
DEDUCTIONS		
Trust Expenditures		-
Unemployment Claims	700.41	
Quarterly Contributions	4,254.51	
Total Deductions	<u>4,954.92</u>	<u>-</u>
Changes in Net Position	5,215.66	1.49
Net Position - Beginning of the Year	4,256.76	367.90
Net Position - End of the Year	<u>\$ 9,472.42</u>	<u>369.39</u>

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Board of Education (Board) of Borough of Wildwood Crest School District (District) have been prepared in conformity 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 more significant of the Board's accounting policies are described below.

A. REPORTING ENTITY:

The Wildwood Crest School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The District operates a combined elementary and middle school located in Borough of Wildwood Crest. The Wildwood Crest School District had an enrollment at June 30, 2015 of 241 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS (Continued):

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

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

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (Continued):

Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

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

2. Proprietary Funds:

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

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (Continued)

3. Fiduciary Funds:

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

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. FINANCIAL STATEMENT AMOUNTS (Continued)

1. Cash and Cash Equivalents (Continued):

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 Act. Public

depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Inventories:

As of June 30, 2015 the District did not have inventory in the enterprise fund.

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2015 is \$0.

4. Capital Assets:

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

Building	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. FINANCIAL STATEMENT AMOUNTS (Continued):

5. Revenues:

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

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. FINANCIAL STATEMENT AMOUNTS (Continued):

9. Budgets/Budgetary Control:

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

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Grades 1-5 Salaries of Teachers	\$ 65,000.00
Grades 6-8 Salaries of Teachers	30,104.40
Regular Programs - Other Salaries for Instruction	31,341.51
Regular Programs - General Supplies	(39,000.00)
School Sponsored Cocurricular Activities - Instruction - Salaries	40,977.36
Tuition To CSSD & Regional Day Schools	(237,082.76)
Undistributed Expenditures - Related Services - Purch Prof Svcs	(28,445.91)
Undistributed Expenditures - Guidance - Salaries Other Prof Staff	23,149.51
Undistributed Expenditures - Child Study Teams - Other Salaries	(21,474.55)
Undistributed Expenditures - Media Services	
Salaries of Technology Coordinators	45,000.00
Supplies and Materials	(20,000.00)
Other Objects	(25,000.00)
Undistributed Expenditures - Instructional Staff Training	
Salaries of Supervisors of Instruction	29,999.98
Purchased Professional Educational Services	(30,500.00)
Undistributed Expenditures - Central Services - Salaries	46,700.00
Undistributed Expenditures - Required Maintenance	
Salaries	23,800.00
Cleaning, Repair and Maintenance	(60,800.00)
Contracted Svcs (Special Ed) - ESCs & CTSA's	40,500.00
Unallocated Health Benefits	37,269.59

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

10. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustments when the final costs have been determined. The final cost is based on an agreement with the Individual Students with a negotiated amount up to the final cost as determined by State of New Jersey.

11. Tuition Payable:

Tuition charges for the fiscal year 2014/15 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates:

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

13. Pensions:

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

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

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

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

NOTE 2. CASH

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2015, \$0 of the government's bank balance of \$2,439,909.99 was exposed to custodial credit risk.

NOTE 3. INVESTMENTS

As of June 30, 2015, the District did not have any investments, however if the District had investments they would be subject to the following credit risks.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A20-37 limits the length of time for most investment to 397 days.

Credit Risk. New Jersey Statutes 18A20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

NOTE 4. FIXED ASSETS

Capital Asset activity for the year ended June 30, 2015 was as follows:

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**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 825,150.00	-		825,150.00
Total Capital Assets, not being depreciated	825,150.00	-	-	825,150.00
Capital Assets, being depreciated:				
Land Improvements	275,535.16	-		275,535.16
Buildings	6,911,420.56			6,911,420.56
Machinery & Equipment	286,974.17	113,767.56		400,741.73
Total Capital Assets, being depreciated at historical cost	<u>7,473,929.89</u>	<u>113,767.56</u>	<u>-</u>	<u>7,587,697.45</u>
Less Accumulated Depreciation for:				
Land Improvements	(250,947.37)	(2,045.96)		(252,993.33)
Buildings	(2,786,601.91)	(156,812.33)		(2,943,414.24)
Machinery & Equipment	(130,042.61)	(38,496.85)		(168,539.46)
Total Capital Assets being depreciated, net of accumulated depreciation	<u>(3,167,591.89)</u>	<u>(197,355.14)</u>	<u>-</u>	<u>(3,364,947.03)</u>
Governmental Activity Capital Assets, net	<u>5,131,488.00</u>	<u>(83,587.58)</u>	<u>-</u>	<u>5,047,900.42</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	57,303.12	-	-	57,303.12
Less Accumulated Depreciation	(33,658.50)	(3,386.67)	-	(37,045.17)
Enterprise Fund Capital Assets, net	<u>\$ 23,644.62</u>	<u>(3,386.67)</u>	<u>-</u>	<u>20,257.95</u>

Depreciation expense was charged to governmental functions as follows:

Student & Instruction Related	\$ 158,027.07
School Administrative Expenses	11,482.50
Plant Operations and Maintenance	<u>27,845.57</u>
	<u>\$ 197,355.14</u>

NOTE 5. PENSION PLANS

Description of Plans

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2015, 2014 and 2013 were \$137,700, \$104,639, and \$179,070 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The State of New Jersey did not make the required contributions for the last three years. The School District's contributions to PERS for the years ending June 30, 2015, 2014, and 2013 were \$61,385, \$59,685.00, and \$61,941.00, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2015, 2014 and 2013, the State of New Jersey contributed \$218,598, \$171,567, and \$202,483, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$153,205.54, \$194,891.67, and \$251,427.44, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current ad future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also required the State to make its full pension contribution, defined at 1/7th of the required amount, beginning in fiscal year 2012.

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

Chapter 93, P.L. 2008 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charges, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 6. PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2015, the District reported a liability of \$1,394,123 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.0074461516%, which was a decrease of 6% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$55,844. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience		
Changes of assumptions	\$ 43,839	
Net difference between projected and actual earnings on pension plan investments		83,082
Changes in proportion and differences between District contributions and proportionate share of contributions		76,701
District contributions subsequent to the measurement date	61,385	
Total	\$ 105,224	159,783

\$61,385 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year ended June 30,	
2016	\$	(40,402)
2017		(40,402)
2018		(40,402)
2019		(40,402)
2020		31,712
Thereafter		13,953
Total	\$	(115,944)

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.39%) or 1-percentage point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 1,753,854	1,394,123	1,092,041

Pension plan fiduciary net position.

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

NOTE 7. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		13,219,993
Total	\$	13,219,993

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

The net pension liability was measured as of June 30, 2014 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the District's proportion was 0.00%, which was a decrease of 0.00% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$711,360 and revenue of \$711,360 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience	\$ -	5,397
Changes of assumptions	566,657	
Net difference between projected and actual earnings on pension plan investments		427,761
Changes in proportion and differences between District contributions and proportionate share of contributions		1,525,861
District contributions subsequent to the measurement date	\$ 137,700	
Total	\$ 704,357	1,959,019

\$137,700 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	\$ 334,854
2017	334,854
2018	334,854
2019	334,854
2020	(780,508)
Thereafter	(1,951,270)
Total	\$ (1,392,362)

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following assumptions, applied to all period included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

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**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Cash	6.00%	0.50%
Core fixed Income	0.00%	2.19%
Core bonds	1.00%	1.38%
Short-term bonds	0.00%	1.00%
Intermediate-term bonds	11.20%	2.60%
Long-term bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High yield bonds	5.50%	4.15%
Non-US fixed income	0.00%	1.41%
Inflation-indexed bonds	2.50%	1.30%
Broad US equities	25.90%	5.88%
Large cap US equities	0.00%	5.62%
Mid cap US equities	0.00%	6.39%
Small cap US equities	0.00%	7.39%
Developed foreign equities	12.70%	6.05%
Emerging market equities	6.50%	8.90%
Private equity	8.25%	9.15%
Hedge funds/absolute return	12.25%	3.85%
Real estate (property)	3.20%	4.43%
Real estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long credit bonds	0.00%	3.74%

Discount rate. The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.68% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.68%) or 1-percentage point higher (5.68%) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

NOTE 8. POST-RETIREMENT BENEFITS

P.L. 1987, Chapter 384 and P.L. Chapter 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007 c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and educational employees. As of June 30, 2014, there were 103,432 receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 9. DEFERRED COMPENSATION

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

- Thomas Seely Agency, Inc.
- Nationwide
- Lincoln National
- Metropolitan Life
- VanGuard
- MFS
- Putnam Fund

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 10. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the district's personnel policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Enterprise Funds.

NOTE 11. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Issues or Additions	Payments or Expenditures	Balance June 30, 2015	Amounts Due Within One Year
Compensated Absences	\$ 208,265.86	63,466.02	-	271,731.88	-
Long Term Pension Liability	1,394,123.00			1,394,123.00	
	<u>\$ 208,265.86</u>	<u>63,466.02</u>	<u>-</u>	<u>271,731.88</u>	<u>-</u>

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 89,513.27	-
Special Revenue Fund	-	43,304.41
Food Service	160.00	46,208.86
Agency Funds	-	160.00
Total	<u>\$ 89,673.27</u>	<u>89,673.27</u>

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds and to cover cash overdrafts for pooled funds. The governmental fund interfunds were eliminated in the governmental-wide statements.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 13. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$6,042 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. This amount was \$29,591 in the General Fund and \$6,042 in the Special Revenue Fund. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

NOTE 14. FUND BALANCE

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

Specific classifications of fund balance are summarized below:

Restricted Fund Balance

Reserve for Excess Surplus – There was excess fund balance in the amount of \$865,061.19 at June 30, 2015. This amount will be appropriated as revenue in support of the 2016-17 School Budget.

Reserve for Excess Surplus Designated – There was excess fund balance from the previous year in the amount of \$485,216 at June 30, 2015. This amount has been appropriated as revenue in support of the 2014-15 School Budget.

Committed Fund Balance –

Maintenance Reserve Account – There is a \$350,000 balance in the maintenance reserve account at June 30, 2015. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Capital Reserve Account – There is a \$175,000 balance in the capital reserve account at June 30, 2015. These funds are restricted for capital projects in the District's approved Long Range Facilities Plan.

Assigned Fund Balance

Other Purposes – \$0 is for encumbrances.

Subsequent Year's Expenditures – The District has assigned \$9,361 of the general fund balance to expenditures in the 2015-16 budget.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Unassigned Fund Balance

General Fund – The District has \$220,409 of unassigned fund balance in the general fund.

Special Revenue Fund Deficit – The \$(6,042) Special Revenue Fund Deficit in Fund Balance represents the deferral, by the State of New Jersey, of the final two State Aid Payments for the 2014/15 school year. This deficit will be reversed in the subsequent year.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJDA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2015 is \$1,350,277.19, of which \$485,216 has been included in the 2015/2016 fiscal year budget.

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Wildwood Crest Board of Education by inclusion of \$175,000 on June 17, 2014 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A. C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 175,000.00
Interest Earnings	-
Deposits:	
None	-
Withdrawals:	-
Ending balance, June 30, 2015	<u><u>\$ 175,000.00</u></u>

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 15 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Ventnor City Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$	350,000.00
Budgeted Increase - FY 2015		-
Excess Surplus Transfer by		
Board Resolution		-
Withdrawals:		
Per Approved Budget		-
Board Resolution		-
Total Withdrawals		-
Ending Balance, June 30, 2015	\$	350,000.00

NOTE 16. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2015 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	-	10,170.58	4,954.92	9,472.42
2013-2014	-	9,821.43	8,730.41	4,256.76
2012-2013	10,241.94	20,404.33	42,500.55	3,165.74

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

NOTE 17. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district.

NOTE 18. RESTATEMENT OF PRIOR YEAR BALANCES

Net position has been restated as required by the implementation of GASB 68, as discussed in notes 6 and 7 above.

Beginning net position as previously reported at June 30, 2014	\$	6,690,914.25
Prior period adjustment - Implementation GASB 68		
Net pension liability (measurement date)		(1,513,908.00)
Deferred outflows - District's contributions made during fiscal year 2014		59,685.00
Total prior period adjustment		(1,454,223.00)
Net position as restated, July 1, 2014	\$	5,236,691.25

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 30, 2015, the date which the financial statements were available to be issues and no additional items were noted for disclosure or adjustment.

Required Supplementary Information – Part II

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Budgetary Comparison Schedules

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,619,118.00	-	6,619,118.00	6,619,118.00	-
Miscellaneous	4,000.00		4,000.00	83,188.80	79,188.80
Total Local Sources	6,623,118.00	-	6,623,118.00	6,702,306.80	79,188.80
State Sources:					
School Choice Aid	146,927.00		146,927.00	146,927.00	-
Security Aid	37,185.00		37,185.00	37,185.00	-
Adjustment Aid	250,091.00		250,091.00	250,091.00	-
Transportation Aid	52,311.00		52,311.00	52,311.00	-
Special Education Aid	164,871.00		164,871.00	164,871.00	-
Other State Aid	4,960.00		4,960.00	4,960.00	-
On-Behalf TPAF Post-Retirement Medical Contributions			218,598.00	218,598.00	-
On-Behalf TPAF Non-Contributory Life Insurance			137,700.00	137,700.00	-
Reimbursed TPAF Social Security			153,205.54	153,205.54	-
Total State Sources	656,345.00	-	656,345.00	1,165,848.54	509,503.54
Federal Sources:					
N/A	-		-	-	-
Total Federal Sources	7,279,463.00	-	7,279,463.00	7,868,155.34	588,692.34
Total Revenues	7,279,463.00	-	7,279,463.00	7,868,155.34	588,692.34

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
CURRENT EXPENSE	\$				
Preschool - Salaries of Teachers	44,329.00	-	44,329.00	37,683.00	6,646.00
Kindergarten - Salaries of Teachers	118,322.00	-	118,322.00	112,944.00	5,378.00
Grades 1 - 5 Salaries of Teachers	712,161.00	65,000.00	777,161.00	752,238.25	24,922.75
Grades 6 - 8 Salaries of Teachers	489,090.00	30,104.40	519,194.40	519,194.40	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	206,175.00	31,341.51	237,516.51	237,516.51	-
Purchased Professional Educational Services	18,000.00	-	18,000.00	13,990.76	4,009.24
General Supplies	156,060.00	(39,000.00)	117,060.00	109,616.20	7,443.80
Textbooks	25,500.00	-	25,500.00	6,325.17	19,174.83
Other Objects - Other	2,000.00	1,500.00	3,500.00	3,119.95	380.05
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,771,637.00	88,945.91	1,860,582.91	1,792,628.24	67,954.67
Learning and/or Language Disabilities					
Salaries of Teachers	86,700.00	-	86,700.00	85,252.00	1,448.00
General Supplies	2,000.00	-	2,000.00	-	2,000.00
Total Learning and/or Language Disabilities	88,700.00	-	88,700.00	85,252.00	3,448.00
Resource Room/Resource Center					
Salaries of Teachers	400,265.00	-	400,265.00	395,622.00	4,643.00
General Supplies	8,262.00	-	8,262.00	5,408.25	2,853.75
Textbooks	400.00	-	400.00	141.38	258.62
Total Resource Room/Resource Center	408,927.00	-	408,927.00	401,171.63	7,755.37
TOTAL SPECIAL EDUCATION - INSTRUCTION	497,627.00	-	497,627.00	486,423.63	11,203.37
Basic Skills/Remedial - Instruction					
Salaries of Teachers	133,150.00	-	133,150.00	95,156.00	37,994.00
General Supplies	2,040.00	-	2,040.00	442.34	1,597.66
Total Basic Skills/Remedial - Instruction	135,190.00	-	135,190.00	95,598.34	39,591.66

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Bilingual Education - Instruction					
Purchased Professional - Educational Services	\$ 4,488.00	-	4,488.00	-	4,488.00
General Supplies	2,700.00	-	2,700.00	150.77	2,549.23
Total Bilingual Education - Instruction	<u>7,188.00</u>	<u>-</u>	<u>7,188.00</u>	<u>150.77</u>	<u>7,037.23</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	34,680.00	40,977.36	75,657.36	74,545.36	1,112.00
Purchased Services (300-500 series)	10,302.00	(9,302.00)	1,000.00	1,000.00	-
Supplies & Materials	1,000.00	-	1,000.00	625.00	375.00
Total School-Spon. Cocurricular Activities - Inst.	<u>45,982.00</u>	<u>31,675.36</u>	<u>77,657.36</u>	<u>76,170.36</u>	<u>1,487.00</u>
School-Spon. Athletics - Instruction					
Purchased Services (300-500 series)	38,250.00	(5,000.00)	33,250.00	23,676.00	9,574.00
Supplies & Materials	8,670.00	-	8,670.00	6,086.96	2,583.04
Total School-Spon. Cocurricular Activities - Inst.	<u>46,920.00</u>	<u>(5,000.00)</u>	<u>41,920.00</u>	<u>29,762.96</u>	<u>12,157.04</u>
Community Services Programs/Operations					
Purchased Services (300-500 series)	1,800.00	-	1,800.00	141.80	1,658.20
Total Community Services Programs/Operations	<u>1,800.00</u>	<u>-</u>	<u>1,800.00</u>	<u>141.80</u>	<u>1,658.20</u>
TOTAL INSTRUCTION	<u>2,506,344.00</u>	<u>115,621.27</u>	<u>2,621,965.27</u>	<u>2,480,876.10</u>	<u>141,089.17</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	\$ 676,057.00	-	676,057.00	676,057.00	-
Tuition to Other LEAs Within the State-Special	166,000.00	-	166,000.00	129,070.00	36,930.00
Tuition to County Voc. School Dist. - Regular	250,961.00	-	250,961.00	245,032.70	5,928.30
Tuition to County Voc. School Dist. - Special	22,900.00	-	22,900.00	22,452.00	448.00
Tuition to CSSD & Regional Day Schools	557,940.00	(237,082.76)	320,857.24	303,487.78	17,369.46
Tuition to Private Schools for the Disabled - Within State	95,000.00	(18,200.00)	76,800.00	56,043.32	20,756.68
Total Undistributed Expenditures - Instruction	<u>1,768,858.00</u>	<u>(255,282.76)</u>	<u>1,513,575.24</u>	<u>1,432,142.80</u>	<u>81,432.44</u>
Undistributed Expend. - Health Services					
Salaries	55,590.00	3,600.00	59,190.00	59,118.85	71.15
Purchased Professional and Technical Services	14,790.00	(300.00)	14,490.00	12,165.95	2,324.05
Other Purchased Services	510.00	(442.30)	67.70	-	67.70
Supplies & Materials	2,652.00	742.30	3,394.30	3,107.25	287.05
Total Undistributed Expend. - Health Services	<u>73,542.00</u>	<u>3,600.00</u>	<u>77,142.00</u>	<u>74,392.05</u>	<u>2,749.95</u>
Undist. Expend. - Speech, OT, PT & Related Services					
Purchased Professional Educational Services	37,715.00	(28,445.91)	9,269.09	-	9,269.09
Total Undist. Expend. - Speech, OT, PT & Related Services	<u>37,715.00</u>	<u>(28,445.91)</u>	<u>9,269.09</u>	<u>-</u>	<u>9,269.09</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	\$ 56,500.00	23,149.51	79,649.51	79,649.51	-
Purchased Professional - Educational Services	19,300.00	(11,875.00)	7,425.00	-	7,425.00
Supplies & Materials	1,250.00	275.00	1,525.00	1,523.70	1.30
Total Undist. Expend. - Guidance	<u>77,050.00</u>	<u>11,549.51</u>	<u>88,599.51</u>	<u>81,173.21</u>	<u>7,426.30</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	112,400.00	7,623.47	120,023.47	120,023.47	-
Salaries of Secretarial and Clerical Assistants	34,170.00	325.04	34,495.04	34,495.04	-
Other Salaries	33,354.00	(21,474.55)	11,879.45	-	11,879.45
Purchased Professional - Educational Services	121,686.00	-	121,686.00	99,644.09	22,041.91
Other Purchased Prof. and Tech. Services	9,282.00	-	9,282.00	5,056.83	4,225.17
Supplies & Materials	4,000.00	-	4,000.00	3,332.98	667.02
Other Objects	500.00	-	500.00	400.00	100.00
Total Undist. Expend. - Child Study Teams	<u>315,392.00</u>	<u>(13,526.04)</u>	<u>301,865.96</u>	<u>262,952.41</u>	<u>38,913.55</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	92,412.00	-	92,412.00	83,452.00	8,960.00
Salaries of Technology Coordinators	-	45,000.00	45,000.00	35,416.80	9,583.20
Purchased Professional and Technical Services	28,600.00	-	28,600.00	16,671.25	11,928.75
Supplies and Materials	37,782.00	(20,000.00)	17,782.00	14,180.39	3,601.61
Other Objects	32,000.00	(25,000.00)	7,000.00	2,097.00	4,903.00
Total Undistributed Expenditures - Educational Media Services - School Library	<u>190,794.00</u>	<u>-</u>	<u>190,794.00</u>	<u>151,817.44</u>	<u>38,976.56</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	\$ 100,000.00	29,999.98	129,999.98	129,999.98	-
Salaries of Secretarial and Clerical Assistants	64,260.00	3,889.72	68,149.72	68,149.72	-
Purchased Professional - Education Services	25,000.00	30,500.00	55,500.00	55,111.28	388.72
Other Purchased Professional and Technical Serv.	3,500.00	(1,500.00)	2,000.00	650.00	1,350.00
Other Purchased Services (400-500 series)	1,200.00	-	1,200.00	200.00	1,000.00
Supplies & Materials	5,600.00	-	5,600.00	1,070.00	4,530.00
Other Objects					
Total Undistributed Expenditures - Instructional Staff Training Services	199,560.00	62,889.70	262,449.70	255,180.98	7,268.72
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	97,500.00	(7,675.36)	89,824.64	63,228.46	26,596.18
Legal Services	11,500.00	15,600.00	27,100.00	23,416.45	3,683.55
Audit Fees	21,830.00	(1,100.00)	20,730.00	19,700.00	1,030.00
Other Purchased Professional Services	2,000.00	-	2,000.00	1,687.50	312.50
Communications/Telephone	7,000.00	(6,846.40)	153.60	-	153.60
BOE Other Purchased Services	500.00	(469.12)	30.88	-	30.88
General Supplies	3,500.00	1,964.15	5,464.15	4,884.91	579.24
Miscellaneous Expenditures	3,000.00	4,178.02	7,178.02	5,052.35	2,125.67
BOE Membership Dues and Fees	4,500.00	(326.65)	4,173.35	4,173.35	-
Total Undistributed Expenditures - Support Services - General Administration	151,330.00	5,324.64	156,654.64	122,143.02	34,511.62
Undist. Expend. - Central Services					
Salaries	91,366.00	46,700.00	138,066.00	136,440.47	1,625.53
Purchased Technical Services	5,250.00	(1,450.00)	3,800.00	-	3,800.00
Supplies & Materials	1,000.00	1,450.00	2,450.00	2,444.43	5.57
Total Undistributed Expenditures - Central Services	97,616.00	46,700.00	144,316.00	138,884.90	5,431.10

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. School Facilities					
Salaries	\$ 116,234.00	23,800.00	140,034.00	121,876.56	18,157.44
Cleaning, Repair and Maintenance Service	213,721.07	(60,800.00)	152,921.07	103,368.52	49,552.55
General Supplies	14,000.00	-	14,000.00	7,971.22	6,028.78
Other Objects	11,000.00	-	11,000.00	5,141.05	5,858.95
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>354,955.07</u>	<u>(37,000.00)</u>	<u>317,955.07</u>	<u>238,357.35</u>	<u>79,597.72</u>
Undist. Expend. - Custodial Services					
Salaries	120,360.00	15,000.00	135,360.00	134,782.05	577.95
Purchased Professional and Technical Services	88,000.00	13,000.00	101,000.00	96,075.45	4,924.55
Insurance	98,900.00	(13,000.00)	85,900.00	48,249.13	37,650.87
General Supplies	21,400.00	-	21,400.00	1,911.37	19,488.63
Energy(Natural Gas)	49,600.00	-	49,600.00	33,780.77	15,819.23
Energy(Electricity)	133,150.00	(15,000.00)	118,150.00	79,848.25	38,301.75
Total Undistributed Expenditures - Custodial Services	<u>511,410.00</u>	<u>-</u>	<u>511,410.00</u>	<u>394,647.02</u>	<u>116,762.98</u>
Undist. Expend. - Security					
Purchased Professional and Technical Services	10,000.00	-	10,000.00	-	10,000.00
Total Undistributed Expenditures - Security	<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>	<u>-</u>	<u>10,000.00</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>876,365.07</u>	<u>(37,000.00)</u>	<u>839,365.07</u>	<u>633,004.37</u>	<u>206,360.70</u>
Undist. Expend. - Student Transportation Serv.					
Contr. Serv. Trans. (Other than Home & School) - Vendors	14,000.00	3,048.00	17,048.00	13,557.38	3,490.62
Contr. Serv. (Reg Students) - ESCs & CTSAs	22,500.00	5,800.00	28,300.00	25,913.05	2,386.95
Contr. Serv. (Sp Ed. Students) - ESCs & CTSAs	136,000.00	40,500.00	176,500.00	141,832.51	34,667.49
Contr. Serv. Aid in Lieu Payments - Charter School	2,000.00	1,952.00	3,952.00	3,280.96	671.04
Total Undistributed Expenditures - Student Transportation Services	<u>174,500.00</u>	<u>51,300.00</u>	<u>225,800.00</u>	<u>184,583.90</u>	<u>41,216.10</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Unallocated Benefits					
Social Security Contribution	\$ 93,850.00	-	93,850.00	71,161.91	22,688.09
Other Retirement Contributions	70,100.00	-	70,100.00	61,385.00	8,715.00
Workmen's Compensation	74,500.00	-	74,500.00	45,124.78	29,375.22
Health Benefits	714,325.00	37,269.59	751,594.59	751,594.59	-
Tuition Reimbursement	13,000.00	-	13,000.00	12,329.84	670.16
Other Employee Benefits	175,000.00	-	175,000.00	82,552.46	92,447.54
Total Unallocated Benefits	1,140,775.00	37,269.59	1,178,044.59	1,024,148.58	153,896.01
On-Behalf Contributions					
On-Behalf TPAF Post-Retirement Medical Contributions				218,598.00	(218,598.00)
On-Behalf TPAF Non-Contributory Life Insurance				137,700.00	(137,700.00)
Reimbursed TPAF Social Security Cont.(non-budgeted)				153,205.54	(153,205.54)
Total On-Behalf Contributions				509,503.54	(509,503.54)
Total Personal Services - Employee Benefits	1,140,775.00	37,269.59	1,178,044.59	1,533,652.12	(355,607.53)
TOTAL UNDISTRIBUTED EXPENDITURES	5,103,497.07	(115,621.27)	4,987,875.80	4,869,927.20	117,948.60
TOTAL GENERAL CURRENT EXPENSE	7,609,841.07	-	7,609,841.07	7,350,803.30	259,037.77
CAPITAL OUTLAY					
Equipment	158,868.00	-	158,868.00	152,536.96	6,331.04
Custodial Services				-	-
Assessment for Debt Service on SDA Funding	11,258.00	-	11,258.00	11,258.00	-
TOTAL CAPITAL OUTLAY	170,126.00	-	170,126.00	163,794.96	6,331.04
Transfer of Funds to Charter School	-	-	-	-	-
TOTAL EXPENDITURES	7,779,967.07	-	7,779,967.07	7,514,598.26	265,368.81
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(500,504.07)	-	(500,504.07)	353,557.08	323,323.53

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources					
Operating Transfers Out:					
Transfer from Capital Projects Fund	(11,000.00)	-	(11,000.00)	-	(11,000.00)
Transfer to Cover Deficit (Food Service)					
Total Other Financing Sources (Uses)	(11,000.00)	-	(11,000.00)	-	(11,000.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(511,504.07)	-	(511,504.07)	353,557.08	312,323.53
Fund Balance July 1	1,034,357.54	-	1,034,357.54	1,781,081.11	(746,723.57)
Fund Balance June 30	<u>\$ 522,853.47</u>	<u>-</u>	<u>522,853.47</u>	<u>2,134,638.19</u>	<u>(434,400.04)</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				865,061.19	
Subsequent Year's Expenditures Committed Fund Balance:				485,216.00	
Capital Reserve					
Maintenance Reserve				175,000.00	
Assigned Fund Balance:				350,000.00	
Subsequent Year's Expenditures				9,361.00	
Year-end Encumbrances				-	
Unassigned Fund Balance				250,000.00	
				<u>2,134,638.19</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				29,591.00	
				<u>2,105,047.19</u>	

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	102,905.05	102,905.05	97,174.62	(5,730.43)
State Sources	51,633.00	-	51,633.00	37,683.00	(13,950.00)
Federal Sources	110,545.00	52,791.00	163,336.00	146,578.00	(16,758.00)
Total Revenues	162,178.00	155,696.05	317,874.05	281,435.62	(36,438.43)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	104,778.00	12,551.00	117,329.00	102,563.00	14,766.00
Salaries - Other Instruction			-	-	-
Purchased Professional and Technical Services	57,400.00	22,610.00	80,010.00	80,010.00	-
Other Purchased Professional Services			-	-	-
General Supplies		104,443.05	104,443.05	98,712.62	5,730.43
Total Instruction	162,178.00	139,604.05	301,782.05	281,285.62	20,496.43
Support Services:					
Personal Services - Employee Benefits		16,092.00	16,092.00	150.00	15,942.00
Other Purchased Services		-	-	-	-
Total Support Services	-	16,092.00	16,092.00	150.00	15,942.00
Total Outflows	162,178.00	155,696.05	317,874.05	281,435.62	36,438.43
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

Notes to the Required Supplementary Information

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2015

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 7,868,155.34	[C-2]	\$ 281,435.62
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Current Year				-
Prior Year				4,550.00
Prior year final State Aid payment was delayed until July 2013 and is recorded as revenue in current year under GAAP.		10,321.00		3,068.00
Final State Aid payment delayed until July 2015 is recorded as budgetary revenue but is not recognized under GAAP.		(29,591.00)		(6,042.00)
	[B-2]	<u>\$ 7,848,885.34</u>	[B-2]	<u>\$ 283,011.62</u>
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 7,514,598.26	[C-2]	\$ 281,435.62
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				
Current Year				-
Prior Year				4,550.00
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental fund:	[B-2]	<u>\$ 7,514,598.26</u>	[B-2]	<u>\$ 285,985.62</u>

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Required Supplementary Information – Part III

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0074461516%	0.0079212499%
District's proportionate of the net pension liability (asset)	\$ 1,394,123	\$ 1,513,908
District's covered payroll	\$ 530,569	\$ 498,781
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	262.76%	303.52%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

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

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 61,385	\$ 59,685
Contributions in relation to the contractually required contribution	<u>61,385</u>	<u>59,685</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 530,569	\$ 498,781
Contributions as a percentage of covered-employee payroll	11.57%	11.97%

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

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>13,219,993</u>	<u>14,006,066</u>
Total	<u>\$ 13,219,993</u>	<u>\$ 14,006,066</u>
District's covered payroll	\$ 2,630,591	\$ 2,445,767
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Schedule of District Contributions
Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 137,700	\$ 105,071
Contributions in relation to the contractually required contribution	<u>137,700</u>	<u>105,071</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,630,591	\$ 2,445,767
Contributions as a percentage of covered-employee payroll	5.23%	4.30%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; District records

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

Other Supplementary Information

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**SPECIAL REVENUE FUND DETAIL
STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1a)	Preschool Education Aid	Title I, Part A	Title IIA	IDEA Basic	IDEA Preschool	Totals 2014
REVENUES:							
Local Sources	\$ 97,174.62	-	-	-	-	-	97,174.62
State Sources	-	37,683.00	43,538.00	21,492.00	79,200.00	810.00	37,683.00
Federal Sources	1,538.00						146,578.00
Total Revenues	98,712.62	37,683.00	43,538.00	21,492.00	79,200.00	810.00	281,435.62
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	37,683.00	43,388.00	21,492.00			102,563.00
Purchased Professional and Technical Services	-				79,200.00	810.00	80,010.00
Other Purchased Services	-						-
General Supplies	98,712.62						98,712.62
Total Instruction	98,712.62	37,683.00	43,388.00	21,492.00	79,200.00	810.00	281,285.62
Support Services:							
Personal Services - Employee Benefits	-		150.00	-			150.00
Other Purchased Services	-						-
Total Support Services	-	-	150.00	-	-	-	150.00
Total Outflows	98,712.62	37,683.00	43,538.00	21,492.00	79,200.00	810.00	281,435.62
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-	-

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2015

	Title III	Holly Beach	Total Carried Forward
REVENUES:			
Local Sources	\$ -	97,174.62	97,174.62
State Sources			-
Federal Sources	1,538.00		1,538.00
Total Revenues	<u>1,538.00</u>	<u>97,174.62</u>	<u>98,712.62</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			-
Purchased Professional and Technical Services			-
Other Purchased Services			-
General Supplies	1,538.00	97,174.62	98,712.62
Total Instruction	<u>1,538.00</u>	<u>97,174.62</u>	<u>98,712.62</u>
Support Services:			
Personal Services - Employee Benefits			-
Other Purchased Services	-		-
Supplies			-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>1,538.00</u>	<u>97,174.62</u>	<u>98,712.62</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Year Ended June 30, 2015**

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 51,633.00	37,683.00	13,950.00
Total Instruction	<u>51,633.00</u>	<u>37,683.00</u>	<u>13,950.00</u>
 Total Expenditures	 <u>\$ 51,633.00</u>	 <u>37,683.00</u>	 <u>13,950.00</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2014-15 Preschool Education Aid Allocation	51,633.00
Add: Actual ECPA Carryover June 30, 2015	-
Add: Budgeted Transfer from the General Fund 2014-15	-
 Total Preschool Education Aid Funds Available for 2014-15 Budget	 <u>51,633.00</u>
Less: 2014-15 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	 <u>(51,633.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
 Add: June 30, 2015 Unexpended Preschool Education Aid	 <u>13,950.00</u>
2014-15 Carryover-Preschool Education Aid	<u>13,950.00</u>
 2014-2015 Preschool Education Aid Carryover	

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FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

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BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2015

	Unemployment Compensation Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 9,717.71	369.39	28,097.96	38,185.06
Total Assets	<u>9,717.71</u>	<u>369.39</u>	<u>28,097.96</u>	<u>38,185.06</u>
LIABILITIES				
Interfund Payable			5,129.16	5,129.16
Accounts Payable	245.29			245.29
Payroll Deductions and Withholdings			3,753.11	3,753.11
Payable to Student Groups			19,215.69	19,215.69
Total Liabilities	<u>245.29</u>	<u>-</u>	<u>28,097.96</u>	<u>28,343.25</u>
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>9,472.42</u>			9,472.42
Reserve for Scholarships		<u>369.39</u>		369.39
Total Net Position				<u>9,841.81</u>
Total Liabilities and Net Position				<u>38,185.06</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Member	\$ 10,146.81		10,146.81
Board Contribution			-
Total Contributions	<u>10,146.81</u>	<u>-</u>	<u>10,146.81</u>
Investments Earnings:			
Interest	23.77	1.49	25.26
Net Investment Earnings	<u>23.77</u>	<u>1.49</u>	<u>25.26</u>
Total Additions	<u>10,170.58</u>	<u>1.49</u>	<u>10,172.07</u>
Deductions			
Trust Expenditures		-	-
Unemployment Claims	700.41		700.41
Quarterly Contributions	4,254.51		4,254.51
Total Deductions	<u>4,954.92</u>	<u>-</u>	<u>4,954.92</u>
Change in Net Position	5,215.66	1.49	5,217.15
Net Position - Beginning of the Year	<u>4,256.76</u>	<u>367.90</u>	<u>4,624.66</u>
Net Position - End of the Year	<u>\$ 9,472.42</u>	<u>369.39</u>	<u>9,841.81</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Crest Memorial School	\$ 16,670.93	5,366.76	2,692.00	19,345.69
Total All Schools	\$ <u>16,670.93</u>	<u>5,366.76</u>	<u>2,692.00</u>	<u>19,345.69</u>

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS:				
Cash and Cash Equivalents	\$ 10,132.62	3,679,046.61	3,680,426.96	8,752.27
Total Assets	<u>10,132.62</u>	<u>3,679,046.61</u>	<u>3,680,426.96</u>	<u>8,752.27</u>
LIABILITIES:				
Payroll Deductions & Withholdings	5,133.46	3,679,046.61	3,680,426.96	3,753.11
Due to Governmental Funds	4,999.16			4,999.16
Total Liabilities	<u>\$ 10,132.62</u>	<u>3,679,046.61</u>	<u>3,680,426.96</u>	<u>8,752.27</u>

Statistical Section

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Borough of Wildwood Crest School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	12,210,708.79	5,304,844.41	5,141,973.11	4,991,076.56	4,829,049.38	4,668,725.22	5,182,114.83	5,135,489.62	5,131,488.00	5,047,900.42
Restricted	82,150.55	4,196.74	4,196.74	4,196.74	23,538.17	213,843.22	359,331.00	434,357.54	494,577.50	1,350,277.19
Unrestricted	(577,100.99)	(694,930.85)	(740,394.72)	(451,608.22)	(358,122.75)	(259,184.70)	106,683.34	736,162.20	(389,374.25)	(971,685.88)
Total governmental activities net position	\$ 11,715,758.35	4,614,110.30	4,405,775.13	4,543,665.08	4,494,464.80	4,623,383.74	5,648,129.17	6,306,009.36	5,236,651.25	5,428,491.73
Business-type activities										
Invested in capital assets, net of related debt	519.10	48,002.28	44,348.03	40,693.78	37,173.32	33,786.65	30,399.97	27,031.29	23,643.90	20,257.23
Restricted	(348.15)	8,302.34	8,259.83	19,374.20	(8,526.46)	8,627.58	6,670.10	(3,464.32)	(13,825.95)	(32,760.94)
Total business-type activities net position	\$ 170.95	56,304.62	52,607.86	60,067.98	28,646.86	42,414.23	37,070.07	23,566.97	9,817.95	(12,503.71)
District-wide										
Invested in capital assets, net of related debt	\$ 12,211,227.89	5,352,846.69	5,186,321.14	5,031,770.34	4,866,222.70	4,702,511.87	5,212,514.80	5,162,520.91	5,155,131.90	5,068,157.65
Restricted	82,150.55	4,196.74	4,196.74	4,196.74	23,538.17	213,843.22	359,331.00	434,357.54	494,577.50	1,350,277.19
Unrestricted	(577,449.14)	(686,628.51)	(732,134.89)	(432,234.02)	(366,649.21)	(250,567.12)	113,353.44	732,697.88	(403,200.20)	(1,004,446.82)
Total district net position	\$ 11,715,929.30	4,670,414.92	4,458,382.99	4,603,733.06	4,823,111.66	4,665,797.97	5,685,199.24	6,329,576.33	5,246,509.20	5,413,988.02

* Fund balance was restated as of June 30, 2014 as required by implementation of GASB 68.

Source: CAFR Schedule A-1

**Borough of Wildwood Crest School District
Changes in Net Position,
Last Ten Fiscal Years**
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Instruction:										
Regular	2,990,261.69	2,787,446.69	3,148,369.92	2,562,984.56	2,889,448.35	2,665,887.12	2,747,366.31	2,699,629.98	2,698,511.92	3,142,711.77
Special education	324,644.63	381,621.29	375,311.35	450,662.70	614,435.30	502,856.22	497,260.27	695,063.02	683,231.45	775,203.71
Other special education	171,228.47	256,866.73	354,510.46	202,049.76	271,352.21	228,653.77	131,838.02	211,808.66	283,267.40	321,643.28
Support Services:										
Tuition	1,046,311.25	1,091,969.48	1,361,421.52	1,633,607.19	1,708,196.72	1,418,700.08	1,271,120.66	1,363,292.20	1,416,294.36	1,432,142.80
Student & instruction related services	736,281.06	970,648.41	956,709.13	831,454.59	925,650.49	971,214.28	827,373.49	995,671.30	1,080,048.12	1,315,758.65
School administrative services	264,387.81	236,648.70	183,107.84	186,708.05	199,770.97	187,016.07	205,966.87	213,203.67	195,767.95	172,837.59
Other administrative services	627,594.62	916,906.14	631,892.28	581,630.30	650,016.07	717,429.90	692,222.88	708,192.37	846,207.04	860,709.50
Plant operations and maintenance	136,056.75	113,831.13	98,548.52	122,152.25	143,928.11	126,898.81	173,371.99	144,198.97	160,110.95	248,193.70
Pupil transportation	181,381.16	162,038.34	135,352.39	153,242.42	174,453.69	132,143.25	230,848.68	134,632.39	120,477.48	196,528.08
Business and other support services				172,841.69		280,394.56	239,493.89	73,076.76	23,667.00	50,027.40
Other	6,467,147.44	6,917,976.91	7,245,243.41	6,724,491.82	7,577,230.91	7,251,724.06	7,017,393.00	7,238,768.32	7,912,383.67	8,315,736.48
Total governmental activities expenses	65,687.20	54,071.22	63,607.85	59,712.37	87,620.03	52,001.25	65,264.39	67,997.80	66,290.48	78,612.47
Business-type activities:										
Food service	65,687.20	54,071.22	63,607.85	59,712.37	87,620.03	52,001.25	65,264.39	67,997.80	66,290.48	78,612.47
Total business-type activities expenses	65,687.20	54,071.22	63,607.85	59,712.37	87,620.03	52,001.25	65,264.39	67,997.80	66,290.48	78,612.47
Total district expenses	\$ 6,532,634.64	\$ 6,972,048.13	\$ 7,309,851.26	\$ 6,784,204.19	\$ 7,665,079.94	\$ 7,303,725.31	\$ 7,082,627.45	\$ 7,306,767.12	\$ 7,678,874.15	\$ 8,594,368.95
Program Revenues										
Governmental activities:										
Operating grants and contributions	495,188.00	1,402,153.21	1,372,975.35	804,668.69	988,746.50	827,357.82	707,165.95	219,297.92	290,200.13	1,386,175.16
Charges for Services							66,091.00	30,407.92	52,328.90	-
Capital grants and contributions							353,067.00	(1,875.56)	-	-
Total governmental activities program revenues	495,188.00	1,402,153.21	1,372,975.35	804,668.69	988,746.50	827,357.82	1,126,323.95	247,830.28	342,529.03	1,386,175.16
Business-type activities:										
Charges for services:										
Food service	19,913.55	17,379.20	19,776.75	25,714.72	26,216.90	23,417.65	20,282.67	10,347.29	9,169.73	8,873.85
Plant operations and contributions	22,526.88	17,349.17	14,544.72	14,544.72	14,544.72	2,165.63	30,144.82	27,141.99	31,149.82	29,919.87
Total business-type activities program revenue	42,440.43	34,728.37	34,321.47	40,259.44	40,761.62	25,583.28	50,427.49	37,489.28	40,319.55	38,793.72
Total district program revenue	538,016.88	1,437,451.82	1,412,798.33	856,933.38	1,045,071.21	882,291.83	1,177,167.12	285,298.65	383,548.65	1,422,418.89
Net (Expense)/Revenue										
Governmental activities	(5,971,959.44)	(5,515,823.70)	(5,872,268.06)	(5,919,823.13)	(6,588,502.41)	(6,424,166.24)	(5,891,039.11)	(6,990,939.04)	(7,170,054.64)	(7,149,581.32)
Business-type activities	(22,858.34)	(18,772.61)	(23,784.87)	(7,447.68)	(31,506.32)	2,732.78	(14,421.22)	(30,529.43)	(25,272.66)	(22,368.74)
Total district-wide net expense	(5,994,817.78)	(5,534,596.31)	(5,896,052.93)	(5,927,270.81)	(6,620,008.73)	(6,421,433.46)	(5,905,460.33)	(7,021,468.47)	(7,195,327.30)	(7,171,950.06)

Borough of Wildwood Crest School District
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	4,831,458.00	5,042,115.00	5,443,800.00	5,661,552.00	5,888,014.00	6,048,533.00	6,169,504.00	6,292,894.00	6,480,013.00	6,619,118.00
Unrestricted grants and contributions	817,890.96	148,529.00	168,560.00	535,050.94	565,410.75	226,425.08	570,899.40	1,165,747.44	994,320.67	637,075.00
Miscellaneous income	34,316.80	23,179.20	71,366.16	69,995.79	266,634.49	300,783.70	49,581.14	221,161.79	92,125.36	83,188.80
Gain (Loss) on Disposal of Capital Assets	(12,923.47)	(26,600.00)	(20,063.27)	(14,868.00)	(7,669.49)	(11,656.60)	134,500.00	(13,984.00)	(11,500.00)	-
Transfers	5,670,732.26	5,187,223.20	5,663,662.89	6,251,730.63	6,712,143.82	6,553,085.18	6,915,784.54	7,648,819.23	7,654,959.03	7,339,381.80
Total governmental activities	16.94	22.19	24.84	38.80	38.27	34.59	77.06	26.33	23.64	47.08
Business-type activities:										
Investment earnings	12,923.47	26,600.00	20,063.27	14,868.00	45.93	11,000.00	9,000.00	17,000.00	11,500.00	-
Transfers	(3,803.94)									
Cancellation of Prior Year Receivables	9,136.47	26,622.19	20,088.11	14,907.80	85.20	11,034.59	9,077.08	17,026.33	11,523.64	47.08
Total business-type activities	5,679,868.75	5,213,845.39	5,883,751.00	6,266,636.43	6,712,229.02	6,564,118.77	6,924,861.60	7,665,845.56	7,666,482.67	7,339,428.88
Total district-wide	(301,227.16)	(328,600.50)	(208,605.17)	351,007.50	133,644.41	128,918.94	1,024,745.43	657,880.19	384,904.30	180,800.48
Governmental activities	(13,724.87)	849.84	(3,696.76)	7,469.12	(3,421.12)	13,837.37	(5,444.16)	(13,503.10)	(13,748.03)	(22,328.66)
Business-type activities	(31,949.03)	(320,750.32)	(21,301.93)	359,367.62	92,226.26	142,686.31	1,019,401.27	644,377.09	371,155.37	167,476.82
Total district	\$ (31,949.03)	\$ (320,750.32)	\$ (21,301.93)	\$ 359,367.62	\$ 92,226.26	\$ 142,686.31	\$ 1,019,401.27	\$ 644,377.09	\$ 371,155.37	\$ 167,476.82

Source: CAFR Schedule A-2

Borough of Wildwood Crest School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted	\$ -	-	-	-	-	-	6,284.00	440,603.54	928,915.04	1,350,277.19
Committed								350,000.00	525,000.00	525,000.00
Assigned						46,083.22	64,445.38	363,986.67	77,146.07	9,361.00
Unassigned	77,953.81	-	-	-	23,538.17	216,225.88	213,018.00	230,276.00	239,679.00	220,409.00
Reserved	87,797.06	44,619.20	11,208.53	93,839.50	225,926.66					
Unreserved	165,750.87	44,619.20	11,208.53	93,839.50	249,464.83			1,384,866.21	1,770,740.11	2,105,047.19
Total general fund										
All Other Governmental Funds										
Restricted										
Capital projects fund						167,760.00	353,067.00			
Committed										
Assigned										
Unassigned										
Unreserved, reported in:										
Special revenue fund	(14,387.05)	(14,387.05)	(16,162.05)	(6,105.00)	(6,105.00)	(6,034.60)	(5,486.00)	(5,590.00)	(3,068.00)	(6,042.00)
Capital projects fund	4,196.74	4,196.74	4,196.74	4,196.74	-	-	-	(5,590.00)	(3,068.00)	(6,042.00)
Total all other governmental funds	\$ (10,190.31)	(10,190.31)	(11,965.31)	(1,908.26)	(6,105.00)	161,725.40	449,581.00	(5,590.00)	(3,068.00)	(6,042.00)

* - FY 2011 was the first year of reporting under GASB 54 - Fund Balance Classifications

Source: CAFR Schedule B-1

**Borough of Wildwood Crest School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	4,831,458.00	5,042,115.00	5,443,800.00	5,661,552.00	5,888,014.00	6,048,533.00	6,169,504.00	6,292,894.00	6,480,013.00	-
Tuition charges	1,375.00		50,800.00	46,000.00	60,225.00	62,100.00	66,091.00	30,407.92	52,328.90	-
Interest earnings	16,567.42	16,527.55	9,523.51	3,410.61	3,326.00	3,939.84	3,341.79	4,298.92	5,909.13	-
Land Sale	-				194,835.00	194,835.00	195,000.00	-	-	-
Miscellaneous	20,966.38	11,249.65	11,312.65	20,585.17	8,248.00	39,908.86	48,031.97	220,212.19	86,216.23	-
State sources	1,109,621.95	1,355,014.21	1,373,521.35	1,167,495.53	1,287,945.00	881,267.73	1,424,584.73	1,220,742.88	1,044,298.67	-
Federal sources	198,855.00	191,070.00	168,014.00	172,224.00	266,214.00	172,715.17	204,755.00	159,077.60	156,699.18	-
Total revenue	6,178,843.75	6,615,976.41	7,056,971.51	7,071,267.31	7,708,807.00	7,403,299.60	8,111,308.49	7,927,633.51	7,825,465.11	-
Expenditures										
Instruction:										
Regular instruction	2,247,990.71	2,145,050.79	2,422,800.02	2,122,866.65	2,243,550.00	2,022,379.99	2,104,331.40	1,900,170.76	1,968,941.55	2,078,463.86
Special education instruction	230,057.86	271,854.37	276,450.46	362,571.79	454,394.00	381,670.94	380,874.00	489,229.42	498,512.80	486,423.63
Other special education instruction	130,737.07	190,289.69	267,746.62	170,688.92	214,606.00	178,609.38	100,980.67	149,084.36	206,683.15	201,824.23
Support Services:										
Tuition	1,045,311.25	1,091,969.48	1,361,421.52	1,633,607.19	1,708,196.00	1,418,700.08	1,271,120.66	1,363,292.20	1,416,294.36	1,432,142.80
Student & instruction related services	567,661.70	758,081.74	667,919.15	703,662.04	728,630.00	774,192.01	633,722.56	700,816.60	788,046.00	825,666.09
General administrative services	210,558.41	197,969.10	159,402.25	166,052.56	168,852.00	157,172.40	157,759.29	150,066.26	142,840.07	122,143.02
School administrative services	-	-	-	-	-	-	-	-	-	-
Business administrative services	129,727.89	115,036.25	101,036.44	125,333.78	132,475.00	101,196.91	176,817.38	112,708.58	87,905.15	138,884.90
Plant operations and maintenance	486,296.51	675,275.85	550,888.16	532,284.65	574,396.00	605,612.03	491,068.73	498,470.70	617,426.27	633,004.37
Pupil transportation	136,056.75	113,831.13	98,548.52	122,152.25	143,928.00	126,836.81	173,371.99	144,198.97	160,110.45	184,583.90
Unallocated employee benefits	904,291.81	1,110,497.95	1,156,845.86	987,093.46	1,177,122.00	1,281,711.95	1,438,309.51	1,599,414.33	1,423,479.48	1,533,652.12
Charter Schools	-	-	-	30,621.00	11,184.00	119,317.00	84,861.00	45,354.00	28,667.00	-
Capital outlay	125,512.67	40,651.73	9,034.91	6,777.00	-	44,225.43	779,817.42	111,859.50	86,642.93	163,794.96
Total Expenditures	6,214,202.63	6,710,508.08	7,072,093.91	6,963,711.29	7,557,333.00	7,211,624.93	7,793,034.61	7,264,665.68	7,425,549.21	7,800,583.88
Excess (Deficiency) of revenues over (under) expenditures	(35,358.88)	(94,531.67)	(15,122.40)	107,556.02	151,474.00	191,674.67	318,273.88	662,967.83	399,915.90	(7,800,583.88)
Other Financing Sources (Uses)										
Transfer in	(12,923.47)	(26,600.00)	(20,063.27)	(14,868.00)	4,151.00	195,000.00	662,462.50	351,108.94	(11,500.00)	-
Transfer out					(4,197.00)	(206,000.00)	(671,462.50)	(368,108.94)		
Total other financing sources (uses)	(12,923.47)	(26,600.00)	(20,063.27)	(14,868.00)	(46.00)	(11,000.00)	(9,000.00)	(17,000.00)	(11,500.00)	-
Net change in fund balances	(48,282.35)	(121,131.67)	(35,185.67)	92,688.02	151,428.00	180,674.67	309,273.88	645,967.83	388,415.90	(7,800,583.88)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2

Borough of Wildwood Crest School District
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Sale of</u> <u>Real Property</u>	<u>Miscellaneous</u>	<u>Totals</u>
2006	16,567.42	1,375.00		16,374.38	34,316.80
2007	16,527.55	-		6,651.65	23,179.20
2008	9,523.51	50,800.00		11,312.65	71,636.16
2009	3,410.61	46,000.00		19,360.17	68,770.78
2010	3,326.38	60,225.00	194,835.00	8,248.11	266,634.49
2011	3,939.84	62,100.00	194,835.00	39,908.86	300,783.70
2012	3,341.79	66,091.00	195,000.00	46,239.35	310,672.14
2013	4,298.92	30,407.92		216,862.87	251,569.71
2014	5,909.13	52,328.90		171.28	58,409.31
2015	8,957.09	22,854.07		51,377.64	83,188.80

Source: District Records

**Borough of Wildwood Crest School District
Assessed Value and Actual Value of Taxable Property:
Last Ten Fiscal Years**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2006	68,760,900	1,068,422,600	211,673,800	12,175,200	1,361,032,500	342,851	1,361,375,351	0.371	1,930,992,539
2007	46,964,200	1,199,766,700	203,371,100	11,149,000	1,461,251,000	310,623	1,461,561,623	0.374	2,359,240,935
2008	31,194,800	1,281,346,200	201,323,900	10,590,500	1,524,455,400	319,285	1,524,774,685	0.372	2,562,559,628
2009	62,085,100	1,896,484,200	326,660,600	23,731,400	2,308,961,300	583,027	2,309,544,327	0.255	2,404,950,130
2010	57,062,000	1,890,082,000	322,488,000	19,678,800	2,289,310,800	584,606	2,289,895,406	0.265	2,339,087,180
2011	31,213,400	1,950,641,600	317,269,400	16,052,900	2,315,177,300	480,612	2,315,657,912	0.267	2,325,449,728
2012	30,381,100	1,949,584,900	315,730,300	15,457,400	2,311,153,700	444,938	2,311,598,638	0.273	2,258,320,928
2013	25,187,300	1,952,166,300	310,510,300	15,457,400	2,311,153,700	425,556	2,311,579,256	0.282	2,204,283,145
2014	23,482,900	1,941,630,600	313,927,700	19,052,400	2,298,093,600	425,556	2,298,519,156	0.288	2,298,365,908
2015	22,841,100	1,940,437,300	315,869,500	15,386,300	2,294,534,200	259,197	2,294,793,397	0.295	2,165,030,492

Source: County Abstract of Ratables & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Borough of Wildwood Crest School District			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Other		Municipal Local Purpose
2006	0.371		0.371	0.242	0.015	0.042		0.600	1.270
2007	0.374		0.374	0.247	0.018	0.049		0.632	1.320
2008	0.372		0.372	0.255	0.017	0.049		0.680	1.373
2009	0.255		0.255	0.169	0.011	0.031		0.495	0.961
2010	0.265		0.265	0.176	0.011	0.030		0.561	1.043
2011	0.267		0.267	0.183	0.011	0.030		0.576	1.067
2012	0.273		0.273	0.188	0.010	0.029		0.593	1.093
2013	0.282		0.282	0.196	0.010	0.028		0.612	1.128
2014	0.288		0.288	0.197	0.010	0.028		0.627	1.150
2015	0.295		0.295	0.202	0.010	0.028		0.641	1.176

Source: District Records and Municipal Tax Collector

**Borough of Wildwood Crest School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2015				2006			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Beach Waves Properties, Inc.	\$ 12,463,000	1	0.54%	\$ 8,443,300	1	0.62%		
B.A.F. Corp.	11,775,000	2	0.51%	7,653,500	2	0.56%		
Port Royal, Inc.	10,350,000	3	0.45%	6,815,800	3	0.50%		
Aqua Beach Resort, Inc.	10,220,000	4	0.45%	6,752,100	4	0.50%		
Reges Corp @ Mollica	8,405,000	5	0.37%	5,204,800	7	0.38%		
Pan American Hotel, LLC	8,330,000	6	0.36%	5,314,600	6	0.39%		
El Coronado Associates, LP	8,034,000	7	0.35%					
Catdaddies	7,750,000	8	0.34%	5,995,600	5	0.44%		
Strydi, LLC	7,325,000	9	0.32%	4,366,100	9	0.32%		
Klayman, Inc.	7,265,000	10	0.32%	4,401,200	8	0.32%		
Crusader Motel, Inc.				4,130,100	10	0.30%		
Totals	\$ 91,917,000		4.01%	\$ 59,077,100		4.34%		
			District Assessed Value			\$ 1,361,375,351		

Source: District CAFR & Municipal Tax Assessor

**Borough of Wildwood Crest School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	4,831,458.00	4,831,458.00	100%	-
2007	5,042,115.00	5,042,115.00	100%	-
2008	5,443,800.00	5,443,800.00	100%	-
2009	5,661,552.00	5,661,552.00	100%	-
2010	5,888,014.00	5,888,013.96	100%	0.04
2011	6,048,533.00	6,048,533.00	100%	
2012	6,169,504.00	6,169,503.96	100%	0.04
2013	6,292,894.00	6,292,894.00	100%	
2014	6,480,013.00	6,480,013.00	100%	
2015	6,619,118.00	6,619,118.00	100%	

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

**Borough of Wildwood Crest School District
 Ratios of Outstanding Debt by Type,
 Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	
2006						
2007						
2008						
2009						
2010						
2011						
2012						
2013						
2014						
2015						

Note: The District did not carry any debt for the years listed.
 *Data is not available.

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

**Borough of Wildwood Crest School District
 Ratios of Net General Bonded Debt Outstanding,
 Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-

Note: The District did not carry any debt for the years listed.
 *Data is not available.

**Borough of Wildwood Crest School District
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2014**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Borough of Wildwood Crest	\$ 36,302,853.66	100.00%	\$ 36,302,853.66
Other Debt			
County of Cape May	177,416,114.48	4.82%	8,551,456.72
Subtotal, Overlapping Debt			44,854,310.38
Wildwood Crest School District Direct Debt			-
Total Direct and Overlapping Debt			\$ 44,854,310.38

Sources: Borough of Wildwood Crest; County of Cape May.

**Borough of Wildwood Crest School District
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2006	4,011	168,173,208	41,928	13.4%
2007	4,095	181,654,200	44,360	12.8%
2008	4,048	189,231,856	46,747	15.5%
2009	4,028	185,308,140	46,005	11.8%
2010	3,270	158,882,760	48,588	22.2%
2011	3,247	164,606,665	50,695	23.1%
2012	3,238	169,269,688	52,276	24.6%
2013	3,222	168,433,272	52,276	24.6%
2014	3,198	167,178,648	52,276	12.2%
2015	3,198	172,474,536	53,932	16.4%

Source: New Jersey Department of Labor and Workforce Development.

**Borough of Wildwood Crest School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
			0.00%			0.00%
Totals	-		0.00%	-		0.00%

Information was not made available for this schedule.

Source: N/A.

**Borough of Wildwood Crest School District
Full-time Equivalent District Employees by Function/Program,
For the Fiscal Year Ended June 30, 2015**

Exhibit J-16

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular instruction	34	34	34	35	32	32	32	32	32	29
Special education instruction	2	2	2	2	2	3	3	3	3	5
Support Services:										
Student & instruction related services	5	5	6	8	8	9	9	9	9	9
General administrative services	2	2	1.5	1.5	1.5	1.5	1.5	1.5	2	2
School administrative services	1	1	1	1	1	2	2	2	2	2
Business administrative services	2	2	1.5	1.5	1.5	1.5	1.5	1.0	2	2
Plant operations and maintenance	4	4	4	4	3	3	4	4	4	5
Special schools										
Food Service	3	3	3	3	3	3	3	3	3	3
Total	53	53	53	56	52	55	56	56	57	57

Source: District Personnel Records

**Borough of Wildwood Crest School District
Operating Statistics,
For the Fiscal Year Ended June 30, 2015**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2006	317	6,926,313	21,850	3.45%	42	1:7.5		273	261	-9.49%	95.5%	
2007	350	6,689,856	19,114	-12.52%	42	1:7.5		265	254	-3.05%	95.8%	
2008	259	7,072,094	27,305	42.86%	43	1:7.2		259	248	-2.26%	95.8%	
2009	271	7,019,327	25,902	-5.14%	44	1:7.2		275	262	6.18%	95.3%	
2010	300	7,553,136	25,177	-2.80%	42	1:7.4		281	269	2.18%	95.7%	
2011	283	7,005,625	24,755	-1.68%	42	1:6.7		263	252	-6.26%	95.6%	
2012	264	7,013,217	26,565	7.31%	42	1:6.7		250	240	-5.09%	96.0%	
2013	257	7,152,806	27,832	4.77%	42	1:6.7		243	234	-2.80%	96.3%	
2014	251	7,152,806	28,497	2.39%	42	1:6.0		240	230	-1.23%	95.8%	
2015	241	7,338,906	30,452	6.86%	43	1:5.6		234	222	-2.50%	94.9%	

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

**Borough of Wildwood Crest School District
 School Building Information,
 For the Fiscal Year Ended June 30, 2015**

Exhibit J-18

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Buildings										
Elementary										
Crest Memorial School (1962)										
Square Feet	60,587	60,587	60,587	60,587	60,587	60,587	60,587	60,587	60,587	60,587
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	289	262	259	271	300	283	264	257	251	241

Number of Schools at June 30, 2015

- Elementary - 1
- Middle - 0
- Other - 0

Source: District Records, ASSA

Borough of Wildwood Crest School District
 General Fund
 For the Fiscal Year Ended June 30, 2015
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Crest Memorial School	N/A	232,227.31	361,775.76	285,980.19	233,671.52	252,926.00	234,449.00	242,256.38	254,198.00	222,380.21	238,357.35
Total School Facilities		\$ 232,227.31	361,775.76	285,980.19	233,671.52	252,926.00	234,449.00	242,256.38	254,198.00	222,380.21	238,357.35
Other Facilities											
Grand Total		\$ 232,227.31	361,775.76	285,980.19	233,671.52	252,926.00	234,449.00	242,256.38	254,198.00	222,380.21	238,357.35

Source: District Records

Borough of Wildwood Crest School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
New Jersey School Boards Association Insurance Group School Package Policy	Property		
	Blanket Loss Limit of Liability	\$ 13,777,000	\$ 5,000
	Blanket Extra Expense	50,000,000	
	Blanket Valuable Papers and Records	10,000,000	
	Demolition and Increased Cost of Construction		
	Fire Department Service Charge		
	Arson Award		
	Pollutant Cleanup and Removal		
	Flood Zone Prefix A & V		
	Flood Zone B) NJSBAIG aggregate		
	Earthquake		
	Terrorism		
	Terrorism (TRIA)		
	Electronic Data Processing	500,000	1,000
	Blanket Hardware/Software		
	Transit		
	Loss of Income		
	Flood		
	Boiler and Machinery		
	Combined Single Limit per Accident, Property Damage		
	Crime		
	Public Employee Dishonesty	10,000	
	Theft, Disappearance and Destruction		
	Board Secretary Bond	90,000	1,000
	Treasurer Bond	200,000	1,000
	Comprehensive General Liability	6,000,000	
	Bodily Injury and Property Damage		
	Sexual Abuse		
Personal Injury			
Employee Benefits Liability			
Premises Medical Payments			
Terrorism			
Automobile	6,000,000		

Source: District Records

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Single Audit Section

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FORD - SCOTT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the basic financial statements of the Borough of Wildwood Crest Board of Education, County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 30, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements presented by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Wildwood Crest School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Responses to Findings

The District's response to the findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended for the information of the management of the Borough of Wildwood Crest School District, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

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

Michael S. Garcia

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

November 30, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Wildwood Crest School District's compliance with the types of compliance requirements described in the New Jersey OMB *State Grant Compliance Supplement* that could have a direct and material effect on each of the Wildwood Crest Board of Education's major state programs for the year ended June 30, 2015. The Wildwood Crest Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Wildwood Crest Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and New Jersey OMB 04-04. Those standards and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Wildwood Crest Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Wildwood Crest Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the Wildwood Crest Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Wildwood Crest Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with NJ Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Wildwood Crest Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of NJ OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of State Financial Assistance Required by NJ OMB 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wildwood Crest School District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 30, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Michael S. Garcia

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

November 30, 2015

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2014	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) June 30, 2015	Deferred Revenue June 30, 2015	Due to Grantor at June 30, 2015
U.S. Department of Education														
Passed-Through State Department of Education:														
Special Revenue Fund:														
<i>Title I, Part A Cluster:</i>														
Title I, Part A	84.010	NCLB800014	53,680	9/1/14	8/31/15				(43,538.00)			(43,538.00)	153.00	
Title I, Part A	84.010	NCLB800011	55,603	9/1/10	8/31/11	153.00			(43,538.00)			(43,538.00)	153.00	
<i>Total Title I, Part A Cluster</i>						153.00								
Title II, Part A	84.281	NCLB800014	28,108	9/1/14	8/31/15	2,360.82			(21,492.00)			(21,492.00)	2,360.82	
Title II, Part A	84.281	NCLB800013	24,027	9/1/13	8/31/14	2,360.82			(21,492.00)			(21,492.00)	2,360.82	
<i>Special Education Cluster:</i>														
ID.E.A. Part B, Basic Regular	84.027	IDEA800013	79,200	9/1/14	8/31/15			79,200.00	(79,200.00)					
ID.E.A. Part B, Basic Preschoo	84.173	IDEA800013	810	9/1/14	8/31/15			810.00	(810.00)					
<i>Total Special Education Cluster</i>								80,010.00	(80,010.00)					
Title III	84.365	NCLB800014	1,538	9/1/12	8/31/14	2,513.82		1,538.00	(1,538.00)					
Total Special Revenue Fund						2,513.82		81,548.00	(146,578.00)			(65,030.00)	2,513.82	
U.S. Department of Agriculture														
Passed-Through State Department of Education:														
Enterprise Fund:														
<i>Child Nutrition Program Cluster:</i>														
National School Lunch Program	10.555	N/A	34,046.44	7/1/14	6/30/15			25,120.66	(34,046.44)			(8,925.78)		
National School Lunch Program	10.555	N/A	29,883	7/1/13	6/30/14	(2,075.75)		2,075.75						
School Breakfast Program	10.553	N/A	3,701.51	7/1/14	6/30/15	(355.24)		1,865.73	(2,701.51)			(850.88)		
School Breakfast Program	10.553	N/A	1,675.54	7/1/14	6/30/14			355.24						
<i>Total Enterprise Fund:</i>						(2,430.99)		29,402.28	(36,747.95)			(9,776.66)		
Total Federal Financial Awards						82.83		110,950.28	(183,325.95)			(74,806.66)	2,513.82	

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

BOROUGH OF WILMWOOD CREST SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Recurrent or Prior Years' Balances	(Accounts Receivable) June 30, 2015	Deferred Revenue June 30, 2015	Due to Grantor at June 30, 2015	MEMO	
			From	To											Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund:																
<i>State Aid - Public Cluster</i>																
School Choice	14-495-034-5120-088	\$	7/1/14	6/30/15				(146,927.00)							6,624.00	146,927.00
Special Education Aid	14-495-034-5120-089		7/1/14	6/30/15			146,871.00	(164,871.00)							7,453.00	164,871.00
Security Aid	14-495-034-5120-086		7/1/14	6/30/15			37,684.00	(37,684.00)							1,976.00	37,684.00
PARCC Readiness Aid	14-495-034-5120-085		7/1/14	6/30/15			2,480.00	(2,480.00)							11,172.00	2,480.00
Per Pupil Growth Aid	14-495-034-5120-088		7/1/14	6/30/15			2,480.00	(2,480.00)							112.00	2,480.00
Sub-total - State Aid Public	14-495-034-5120-087		7/1/14	6/30/15			694,034.00	(694,034.00)							27,293.00	694,034.00
<i>Transportation Aid</i>																
Extracurricular Aid	14-100-034-5120-014		7/1/14	6/30/15			59,311.00	(59,311.00)							2,358.00	59,311.00
Reimbursed TP/AF Social Security Contributions	14-100-034-5120-473		7/1/14	6/30/15			9,382.00								9,382.00	
Reimbursed TP/AF Social Security Contributions	14-495-034-5095-002		7/1/14	6/30/15			153,205.54	(191,646.00)				(38,440.46)			(38,440.46)	191,646.00
Reimbursed TP/AF Social Security Contributions	13-495-034-5095-002		7/1/13	6/30/14			19,799.63									194,891.67
Total General Fund					(29,161.65)		234,678.17	(847,991.00)				(38,440.46)			(38,062.46)	448,210.67
Special Revenue Fund:																
Preschool Education Aid	14-495-034-5120-086		7/1/14	6/30/15			51,633.00	(37,683.00)					13,950.00		6,042.00	37,683.00
Total Special Revenue Fund							51,633.00	(37,683.00)					13,950.00		6,042.00	37,683.00
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program (State Share)	14-100-010-3360-067		7/1/14	6/30/15	(43.79)		522.54	(707.64)				(165.10)				707.64
National School Lunch Program (State Share)	13-100-010-3360-067		7/1/13	6/30/14	(43.79)		43.79									
Total Enterprise Fund					(87.58)		566.33	(707.64)				(165.10)				707.64
Total State Financial Assistance					(29,205.42)		286,877.50	(886,381.64)				(38,625.56)	13,950.00		(2,807.46)	486,001.31

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2015

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,270) for the general fund and \$1,576 for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	On-Behalf TPAF Pension	Total
General Fund	\$ -	1,146,578.54	(356,298.00)	790,280.54
Special Revenue Fund	146,578.00	39,259.00	-	185,837.00
Food Service Fund	46,662.23	707.65	-	47,369.88
Total Financial Assistance	\$ 193,240.23	1,186,545.19	(356,298.00)	1,023,487.42

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

BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2015
(Continued)

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**K-6 BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2015
(CONTINUED)**

Section II - Financial Statement Findings

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

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

N/A

STATE AWARDS

Our audit disclosed no material Findings or Questioned Costs.

**BOROUGH OF WILDWOOD CREST SCHOOL DISTRICT
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

STATUS OF PRIOR YEAR FINDINGS

None