

**SCHOOL DISTRICT
OF THE
BOROUGH OF WEST WILDWOOD**

**AUDITORS' MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2015**

AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE

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REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of West Wildwood School District in the County of Cape May for the year ended June 30, 2015, and have issued our report thereon dated November 30, 2015.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the West Wildwood Board of Education's management and the New Jersey Department of Education 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

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND
PERFORMANCE REPORTING**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Judson Moore	Board Secretary	\$ 25,000.00
Dorothy A. Tomlin	Treasurer	\$ 120,000.00

The Treasurer of School Moneys was bonded in accordance with provisions of Title 18A:17-32 above minimum limits per the State Board promulgated schedule.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did indicate discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

Due to the size of the District, the Board does not maintain a payroll account. All payrolls and payroll deductions are paid from the General Account.

All payrolls were approved by the President of the Board and the Board Secretary/Business Administrator.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance procedures. As a result of the procedures performed, a transaction error rate of zero percent was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification. The results of our procedures are summarized in the Summary of Expenditure Coding Testing.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

- Bids received were summarized in the minutes (*N.J.S.A.* 18A:18A-21).
- Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (Handbook 2R2), for New Jersey Public Schools.

Treasurer's Records

There were no findings noted during our review of the records of the Treasurer.

Elementary and Secondary School Improvement Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left behind Act of 2001.

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. However, this section of the CAFR was not utilized for the year ended June 30, 2015, as the District did not receive any E.S.E.A. funding.

Other Special Federal and/or State Projects

There were no other Special Federal and/or State Projects for the year ended June 30, 2015.

T.P.A.F. Reimbursement

There are no employees in the District who are members of the Teachers' Pension and Annuity Fund; therefore, there were no reimbursements.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A: 18A-3(a) and 18A:18A-2 are \$36,000.00 and \$17,500, respectively.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A.* 18A:18A-5.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (ASSA) for students sent to other districts. We also performed a review of the districts procedures related to its completion. The information on the ASSA was compared to the district workpapers with no exceptions. The information that was included on the workpapers was verified with without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2014-2015 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. However, we were unable to review transportation contracts. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Follow-Up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

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

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	2015-2016 Application for State School Aid			Sample for Verification			Private Schools for Disabled			
	Reported on A.S.S.A. on Roll	Workpapers on Roll	Errors	Sample Selected from Workpapers	Registers on Roll	Errors per Registers on Roll	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Full	Shared	Full	Full	Shared	Full	Shared
Half Day Preschool	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-
Post Graduate	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Totals	-	-	-	-	-	-	-	-	-	-
Percentage	-	-	-	-	-	-	0.00%	-	-	0.00%
							0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF WEST WILWOOD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	Resident Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on ASSA as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Reported on ASSA as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register
Half Day Preschool	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Special Ed - Elementary	-	-	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-	-
Totals	-	-	-	-	-	-	-	-
Percentage Error		0.00%				0.00%		0.00%
Transportation								
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors		
Reg.-Public Schools, col. 1	4	4	-	-	-	-		
Reg.-SpEd, col. 4	-	-	-	-	-	-		
Transported - Non-Public, col. 3	-	-	-	-	-	-		
ALL, col. 2	-	-	-	-	-	-		
Courtesy Secondary Special Needs, col. 13	2	2	-	-	-	-		
Totals	6	6	-	-	-	-		
Percentage Error			0.00%		#DIV/0!			
							Reported	Re- Calculated
							9.3	9.3
							9.3	9.3
							7.0	7.0

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF WEST WILDWOOD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014**

	Resident LEP NOT Low Income	Reported on ASSA as NOT Low Income	Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Special Ed - Elementary	-	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-
Totals	-	-	-	-	-	-	-
Percentage Error				0.00%			0.00%

**WEST WILDWOOD SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2015**

COUNTY VOCATIONAL DISTRICTS

A. 2% Calculation of Excess Surplus (2014-15 expenditures of \$100 million or less)

2014-15 Total General Fund Expenditures per the CAFR, Ex C-1	\$ <u>1,388,487.54</u>	(B)
Increased by:		
Transfer to Food Service Fund	\$ _____	(B1a)
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1b)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(B1c)
Decreased By:		
On-Behalf TPAF Pension & Social Security	\$ _____ -	(B2a)
Assets Acquired Under Capital Leases	\$ _____ -	(B2b)
 Adjusted 2014-15 General Fund Expenditures [(B)+(B1's)-(B2's)]	 \$ <u>1,388,487.54</u>	 (B3)
 2% of Adjusted 2014-15 General Fund Expenditures [(B3) times .06]	 \$ <u>27,769.75</u>	 (B4)
Enter Greater of (B4) or \$250,000	\$ <u>250,000.00</u>	(B5)
Increased by: Allowable Adjustment*	\$ _____ -	(K)
 Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		 \$ <u>250,000.00</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/15 (Per CAFR Budgetary Comparison schedule/statement)	\$ <u>701,700.82</u>	(C)
Decreased By:		
Reserved for Encumbrances	\$ _____ -	(C1)
Legally Restricted-Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>135,704.49</u>	(C3)
Other Reserved Fund Balances	\$ _____ -	(C4)
Unreserved - Designated for Subsequent Year's Expenditures	\$ _____	(C5)
 Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 \$ <u>565,996.33</u> (U)

SECTION 3

Reserved Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER - 0 - \$ 315,996.33 (E)

Recapitulation of Excess Surplus as of June 30, 2015:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** \$ 135,704.49 (C3)

Reserved Excess Surplus *** \$ 315,996.33 (E)

Total [(C3) + (E)] \$ 451,700.82 (D)

Detail of Allowable Adjustment

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ _____	(J1)
Additional Nonpublic school Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertizing Revenue Recognizer	\$ _____	(J3)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	\$ _____	(K)

** This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

*** Amount must agree to the June 30, 2015 CAFR and Audit Summary Worksheet Line 10024.

Detail of Other Reserved Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/lease-back reserve	\$ _____	
Capital reserve at June 30, 2015	\$ _____	-
Maintenance reserve minimum required under EFCFA	\$ _____	-
Tuition reserve at June 30, 2015	\$ _____	
Emergency reserve at June 30, 2015	\$ _____	
Waiver offset reserve at June 30, 2015	\$ _____	
 [Other Reserved Fund Balance not noted above] ****	\$ _____	
 Total Other Restricted/Reserved Fund Balance	\$ _____	(C4)

**** Amount for Other Restricted/Reserved Fund Balances must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant to the Commissioner for Finance prior to September 30.