



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

WOODBINE SCHOOL DISTRICT

July 1, 2009 to December 31, 2015

We found fiscal year-end General Fund deficits of \$737,000 and \$744,000 in fiscal years 2013 and 2014, respectively, resulted from the lack of proper budgeting for the costs of health benefits and out-of-district students, and a variety of accounting errors. Furthermore, the district did not complete grant applications, which created a need to secure interest bearing loans that also contributed to the deficit. The financial transactions included in our testing were related to the school district's programs; however, they were not always reasonable, properly recorded in the accounting system, or brought before the board for approval. In addition, we found weaknesses within the system of internal controls over payroll, personnel, and information technology equipment that require district administrators' attention.

We observed that a more effective and efficient use of district funds may be achieved by combining resources with those of a neighboring school district. In addition, district administration's anticipated return on investment in capital projects did not meet expectations.

AUDIT HIGHLIGHTS

- The district's administrators did not properly monitor the business office throughout the years audited. Budget modifications were not made when it became apparent that specific budget line items, such as health benefits and out-of-district tuition costs were insufficient to meet actual costs. In addition, other business office practices negatively impacted the district budget including charges to improper (incorrect) accounts, and failure to properly account for the collection of receivables.
- We identified individuals hired full time without the positions having been advertised, positions where the district ignored certification requirements for the teaching duties assigned, and we found the district did not consistently adhere to the Provisional Teacher Process requirements.
- The district was unable to provide an inventory of information technology (IT) equipment or any records to document damaged, stolen or disposed IT equipment. The audit identified \$40,000 of \$144,300 of IT equipment purchased during our audit period that the district could not locate for testing purposes.
- We also presented an observation suggesting that a consolidation of Woodbine and a neighboring school district might realize a more efficient use of the districts' resources.

AUDITEE RESPONSE

The district did not comment on our report findings, however, they did not agree with our observation suggesting the potential benefits of school district consolidation.

For the complete audit report, click [here](#).