Comprehensive Annual Financial Report

of the

City of North Wildwood Board of Education

NORTH WILDWOOD, NEW JERSEY

For the Year Ended June 30, 2008

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	8-9
Required Supplementary Information - Part I	
Management's Discussion and Analysis	10-19
Basic Financial Statements	
A. District-wide Statements	
A-1 Statement of Net Assets	20
A-2 Statement of Activities	21
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22
B-2 Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Proprietary Funds:	
B-4 Statement of Net Assets	25
B-5 Statement of Revenues, Expenses, and Changes in Net Assets	26
B-6 Statement of Cash Flows	27
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	28
B-8 Statement of Changes in Fiduciary Net Assets	29
Notes to the Financial Statements	30-48

TABLE OF CONTENTS (Continued)

Required Supplementary Information - Part II

		Page
C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	49-54
C-2	Budgetary Comparison Schedule - Special Revenue Fund	55-56
	Notes to Required Supplementary Information	
C-3	Budget-to-GAAP Reconciliation	57
	Other Supplementary Information	
E.	Special Revenue Fund	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	58-60
E-2	Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	61
E-3	Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	62-65
E-4	Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5	Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A
E-6	Targeted At-Risk Aid Schedule of Expenditures - Budgetary Basis	66
F.	Capital Projects Fund:	
F-1	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	67
F-1a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Roof Project	68
G.	Proprietary Funds:	
	Enterprise Funds:	
G-1	Combining Statement of Net Assets	N/A
G-2	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-3	Combining Statement of Cash Flows	N/A
	Internal Service Fund:	
G-4	Combining Statement of Net Assets	N/A
G-5	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6	Combining Statement of Cash Flows	N/A
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Assets	69
H-2	Combining Statement of Changes in Fiduciary Net Assets	70
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	71
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	72

TABLE OF CONTENTS (Continued)

		Page
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	73
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	74
	STATISTICAL SECTION (Unaudited)	
J-1	Net Assets by Component	75
J-2	Changes in Net Assets	76-78
J-3	Fund Balances, Governmental Funds	79
J-4	Changes in Fund Balances, Governmental Funds	80
J-5	General Fund Other Local Revenue by Source	81
J-6	Assessed Value and Actual Value of Taxable Property	82
J-7	Direct and Overlapping Property Tax Rates	83
J-8	Principal Property Tax Payers	84
J-9	Property Tax Levies and Collections	85
J-10	Ratios of Outstanding Debt by Type	86
J-11	Ratios of Net General Bonded Debt Outstanding	87
J-12	Direct and Overlapping Governmental Activities Debt	88
J-13	Legal Debt Margin Information	89
J-14	Demographic and Economic Statistics	90
J-15	Principal Employers	91
J-16	Full-time Equivalent District Employees by Function/Program	92
J-17	Operating Statistics	93
J-18	School Building Information	94
J-19	Required Maintenance for School Facilities	95
J-20	Insurance Schedule	96
AUDIT SECTION		
K-1	Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	97-98
K-2	Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	99-100
K-3	Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	101
K-5	Notes to Schedules of Awards and Financial Assistance	102-103
K-6	Schedule of Findings and Questioned Costs	104-106
K-7	Summary Schedule of Prior Audit Findings	107

INTRODUCTORY SECTION

North Wildwood Board Of Education

1201 Atlantic Avenue
North Wildwood, N.J. 08260
(609) 729-4649

November 3, 2008

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

Dear Board Members:

The Comprehensive Annual Financial Report of the City of North Wildwood Board of Education for the fiscal year ended June 30, 2008, 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 the New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". 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, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The City of North Wildwood Board of Education 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 City of North Wildwood Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K - 8. These include regular, vocational as well as special education for handicapped students. The District completed the 2007-2008 fiscal year with an average daily enrollment of 310. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2007-08	310.0	-1.90%
2006-07	316.0	6.76%
2005-06	296.0	-11.93%
2004-05	336.1	-7.36%
2003-04	362.8	-4.30%
2002-03	379.1	-6.00%
2001-02	403.3	-0.05%
2000-01	403.5	3.73%
1999-00	389.0	-7.36%
1998-99	419.9	2.41%

2. **ECONOMIC CONDITION AND OUTLOOK:** Our City continues to experience an increase of tourists and an extended tourist year with festivals, parades and other additional activities. The community continues to grow with an influx of new housing, renovations and additions to property.

3. **MAJOR INITIATIVES:** The District provides instructional programs for pre-kindergarten through eighth grade, which are supplemented with programs including library, technology, art, music, applied technology, computers, gifted and talented, and basic skills.

The District continues to focus on New Jersey's Core Curriculum Content Standards and Cross-Content and to align school programs with the benchmarks identified in the Standards. Language Arts/Literacy, Mathematics, Science, Health and Physical Education, Visual and Performing Arts, Social Studies and World Languages are reviewed as part of the multi-year curriculum review. The District has expanded the technology curriculum and instruction to include the elementary grades to meet the new Technology Literacy Standard. These important standards have both curricular and financial support to anticipate student success on the state's NJ ASK and GEPA assessment tests.

The District continues to focus on supportive programs to increase student involvement and motivation. The District is a member of the Cape Atlantic Athletic League for extracurricular offerings and to provide students with the opportunity to experience interaction outside the barrier island.

Community and parental involvement are a primary focus of the Board and staff. The District joined with the city government and service agencies to provide community service projects for students. The District supported the local Home and School Association's initiatives to increase educational opportunities for students and create more parental involvement.

We have a high commitment to our five-year technology plan, we purchased additional computers for instructional purposes and an additional portable lab for more flexible classroom use. Upgrading of the computer network and in-house teacher training are critical components to maintaining staff and student use and value for technology

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

   As a recipient of 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 state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

   An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2007.

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

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

8. **DEBT ADMINISTRATION:** At June 30, 2008, the District's outstanding debt issues included $1,791,000.00 of general obligation bonds.

9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. 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.

10. **RISK MANAGEMENT:** North Wildwood Board of Education 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.

11. **OTHER INFORMATION:**

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 basic 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.

12. **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the City of North Wildwood 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. The preparation of this report could have not been accomplished without the efficient and dedicated services of our financial and accounting personnel.

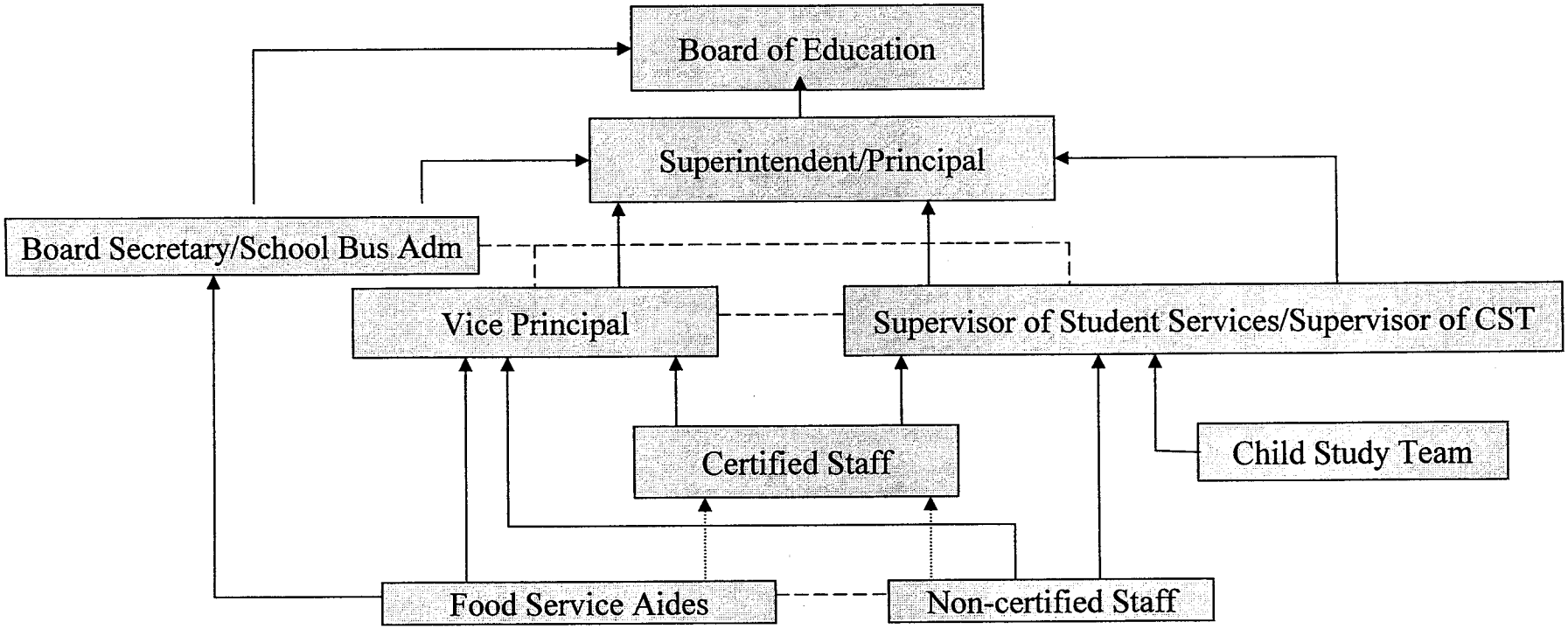
Respectfully submitted,

Michael Buccialia
Superintendent

Mary E. Ott
Board Secretary/Business Administrator

Organizational Chart

North Wildwood School District



Each employee in the district is responsible to the Board through the Superintendent

All personnel shall refer matters requiring administrative action to the administrative officer immediately in charge of the area in which the problem arises

Administrative officers shall refer such matters to the next higher authority, when necessary.

All employees shall have the right to appeal any decision made by an administrative officer to the next higher authority and through appropriate successive steps to the Board.

Revised 7/06

CITY OF NORTH WILDWOOD BOARD OF EDUCATION
NORTH WILDWOOD, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2008

Members of the Board of Education	Term Expires
Michael Brown, Sr., President	2011
MaryEllen McGovern, Vice President	2009
Charles Burns	2011
Stephen Cava	2010
Ronald Golden	2010
David MacDonald	2010
Kadie Stefankiewicz	2009
James Nanos	2011
Linda Williams	2010
Via Zampirri	2009

Other Officials

Michael Buccialia, Superintendent

Walter Landgraf, Board Secretary

Ross Versaggi, Treasurer

Peter M. Tourison, Solicitor

CITY OF NORTH WILDWOOD BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Wesley Avenue
Ocean City, NJ 08226

Attorney

Peter M. Tourison
3823 Bayshore Road
P.O. Box 766
North Cape May, NJ 08204

Official Depositories

Crest Savings Bank
5th and New Jersey Avenues
North Wildwood, NJ 08260

Municipal Investors Service, Corp.
113 King Street
Armonk, NY 10504

PNC Bank
1300 New Jersey Avenue
North Wildwood, NJ 08260

FINANCIAL SECTION

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of North Wildwood School District
County of Cape May, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Education of the City of North Wildwood School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of North Wildwood Board of Education's management. 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; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Wildwood Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2008 on our consideration of the City of North Wildwood Board of Education'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Wildwood Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

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

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2008

REQUIRED SUPPLEMENTARY INFORMATION – PART I

NORTH WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The discussion and analysis of North Wildwood School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. 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 2008 are as follows:

- In total, net assets increased $403,452.84, which represents a 9 percent increase from 2007.
- General revenues accounted for $8,356,689.69 in revenue or 89 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $1,001,294.99 or 11 percent of total revenues of $9,357,984.68.
- The School District had $8,954,531.84 expenses; only $1,001,294.99 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $8,356,689.69 were adequate to provide for these programs.
- Among governmental funds, the General Fund had $8,141,936.61 in revenues and $8,033,900.08 in expenditures. The General Fund's fund balance increased $108,036.53 from 2007.

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 North Wildwood 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 Assets 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 North Wildwood District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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 2008?" The Statement of Net Assets and the Statement of Activities 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 account 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 assets and changes in those assets. This change in net assets 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 Assets and the Statement of Activities, 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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 School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets 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.

Table 1 provides a summary of the School District's net assets for 2008 and 2007.

Table 1
Net Assets

	2008	2007
Assets		
Current and Other Assets	$ 1,545,691.50	$ 1,394,378.63
Capital Assets	5,472,164.42	5,365,821.43
Total Assets	7,017,855.92	6,760,200.06
Liabilities		
Long-Term Liabilities	1,958,296.21	2,303,383.50
Other Liabilities	401,168.65	201,878.34
Total Liabilities	2,359,464.86	2,505,261.84
Net Assets		
Invested in Capital Assets, Net of Debt	3,681,164.42	3,439,821.43
Restricted	383,872.73	452,004.03
Unrestricted	593,353.91	363,112.76
Total Net Assets	$ 4,658,391.06	$ 4,254,938.22

The District's combined net assets were $4,658,391.06 on June 30, 2008. This was an increase of 9 percent from the prior year.

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2008 and 2007.

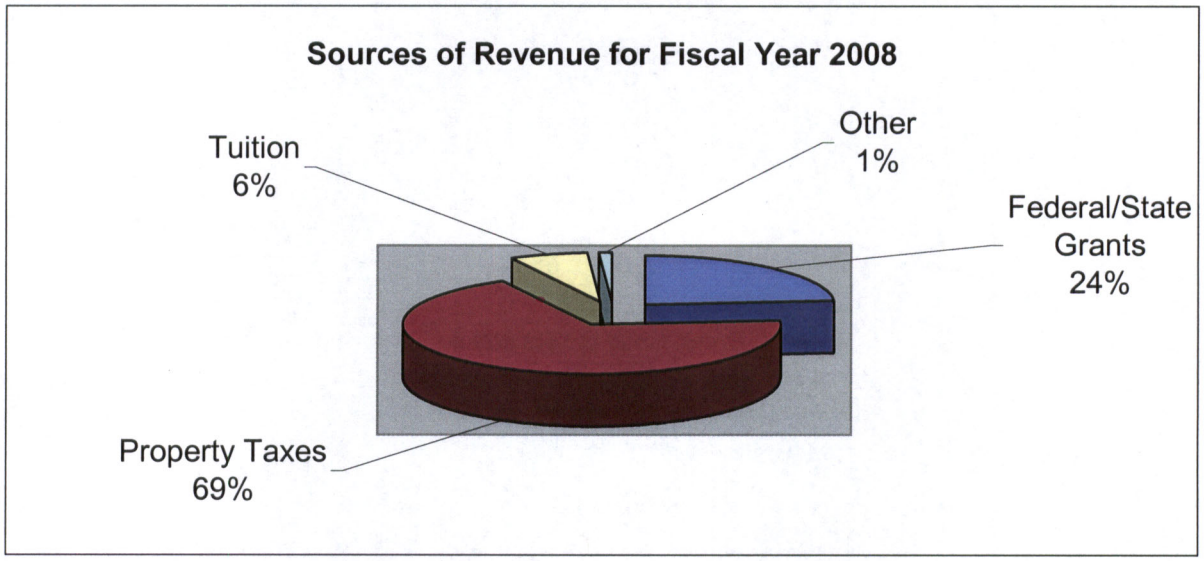
Table 2
Changes in Net Assets

	2008	2007
Revenues		
Program Revenues:		
Charges for Services	$ 48,301.25	$ 33,611.34
Operating Grants and Contributions	937,232.11	983,775.41
Capital Grants and Contributions	15,761.63	13,960.75
General Revenues:		
Property Taxes	6,366,774.00	6,043,479.00
Grants and Entitlements	1,285,155.40	1,269,107.18
Other	704,760.29	1,001,324.79
Total Revenues	9,357,984.68	9,345,258.47
Program Expenses		
Instruction	4,221,868.03	4,210,998.52
Support Servces:		
Pupils and Instructional Staff	3,165,035.23	3,650,985.70
General and School Administration	509,930.81	539,596.41
Business and Other Support Services	647,930.23	637,913.19
Pupil Transportation	189,170.36	182,557.91
Interest on Debt	87,811.28	93,823.80
Food Service	132,785.90	139,947.07
Total Expenses	8,954,531.84	9,455,822.60
Increase in Net Assets	$ 403,452.84	$ (110,564.13)

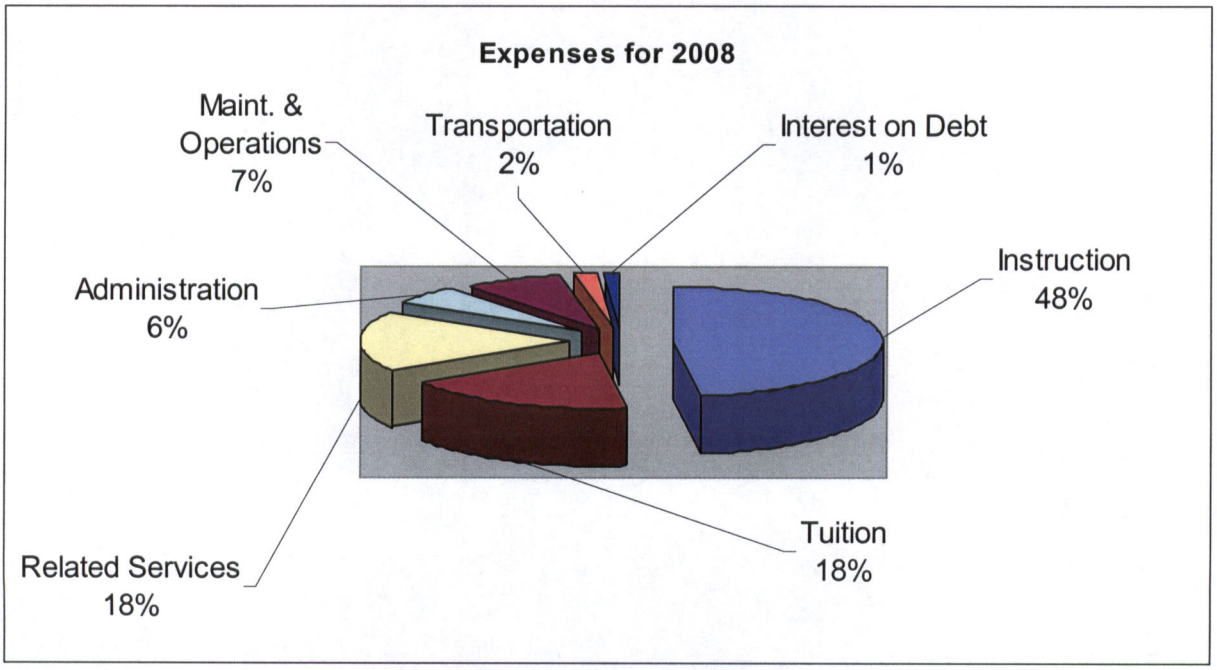
Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 69 percent of revenues for governmental activities for the North Wildwood District for the fiscal year 2008. The District's total revenues were $9,263,714.14 for the year ended June 30, 2008. Federal, state, and local grants accounted for another 24 percent of revenue.

Governmental Activities (Continued)



The total cost of all program and services was $8,821,745.94. Instruction comprises 47 percent of District expenses.



Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by $28,457.16.
- Charges for services represent $48,301.25 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast was $56,027.49.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Instruction	$ 4,221,868.03	$ 3,584,647.07	$ 4,210,998.52	$ 3,598,395.56
Support Services:				
Pupils and Instructional Staff	3,165,035.23	2,905,289.94	3,650,985.70	3,319,335.08
General and School Administration	509,930.81	509,930.81	539,596.41	539,596.41
Maintenance of Facilities	647,930.23	647,930.23	637,913.19	637,913.19
Pupil Transportation	189,170.36	189,170.36	182,557.91	182,557.91
Interest and Fiscal Charges	87,811.28	87,811.28	93,823.80	93,823.80
Total Expenses	$ 8,821,745.94	$ 7,924,779.69	$ 9,315,875.53	$ 8,371,621.95

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Governmental Activities (Continued)

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $9,263,714.14 and expenditures were $9,121,433.52 and net other financing uses were $47,592.77. The net change in fund balance for the year was most significant in the General Fund, an increase of $108,036.53.

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. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2008, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue		Amount	Percent of Total		Increase (Decrease) from 2007	Percent of Increase (Decrease)
Local Sources	$	7,078,913.07	76.42%	$	30,116.39	0.43%
State Sources		1,908,935.58	20.61%		86,659.43	4.76%
Federal Sources		275,865.49	2.98%		(111,203.97)	-28.73%
Total	$	9,263,714.14	100.00%	$	5,571.85	0.06%

State revenues increased by $86,659.43. The increase in state revenue can be attributed to the changes in state aid. Federal revenues decreased by $111,203.97. The decrease is due to a reduction in federal programs and reduced enrollment.

The School District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, capital projects, and debt service fund expenditures for the fiscal year ended June 30, 2008, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2007	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	$ 3,077,129.16	33.74%	$ 66,207.93	2.20%
Undistributed Expenditures	5,583,212.44	61.21%	(459,516.44)	-7.60%
Capital Outlay	189,150.76	2.07%	85,172.33	81.91%
Special Schools	17,312.88	0.19%	3,038.41	21.29%
Charter Schools	29,817.00	0.33%	(11,961.00)	-28.63%
Debt Service	224,811.28	2.46%	(1,012.52)	-0.45%
Total	$ 9,121,433.52	100.00%	$ (318,071.29)	68.72%

Changes in expenditures were the results of varying factors.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Some of these revisions bear notation:

- The sick pay disbursement increased because there were retirements that took place in the district during the year.

Capital Assets

At the end of the fiscal year 2008, the School District had $5,472,164.42 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to 2007.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2008	2007
Land	$ 474,000.00	$ 474,000.00
Building and Building Improvements	4,881,314.30	4,762,215.31
Machinery and Equipment	116,850.12	129,606.12
Total	$ 5,472,164.42	$ 5,365,821.43

Overall capital assets increased $106,342.99 from fiscal year 2007 to fiscal year 2008. The increase in capital assets is due primarily to depreciation being lower than additions to capital assets. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2008, the School District had $2,112,038.91 of outstanding debt. Of this amount, $321,038.91 is for compensated absences; and $1,791,000.00 of serial bonds for school construction.

Table 5
Outstanding Debt at June 30,

	2008	2007
Compensated Absences	$ 321,038.91	$ 377,383.50
1999 General Obligation Bonds	1,791,000.00	1,926,000.00
Total	$ 2,112,038.91	$ 2,303,383.50

At June 30, 2008, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

For the Future

The North Wildwood 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 recent enrollment decline of the District; however, if property values continue to grow the property tax rate should continue to decrease. The state's reliance on maximum appropriation of fund surplus for use in tax relief may jeopardize that stabilization in the future. The decrease in enrollment may also cause a decrease in state funding. In conclusion, the North Wildwood 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 Mary E. Ott, Business Administrator/Board Secretary at City of North Wildwood Board of Education, 1201 Atlantic Avenue, North Wildwood, NJ 08260, (609) 729-4649.

BASIC FINANCIAL STATEMENTS

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 1,077,550.10	$ 9,963.42	$ 1,087,513.52
Receivables, Net	12,157.56	3,105.70	15,263.26
Internal Balances	(1,907.26)	6,875.82	4,968.56
Restricted Assets:			
Cash Reserve Account	42,603.15		42,603.15
Maintenance Reserve Account	170,495.58		170,495.58
Tuition Reserve Account	224,847.43		224,847.43
Capital Assets, Net (Note 5)	5,472,164.42	-	5,472,164.42
Total Assets	6,997,910.98	19,944.94	7,017,855.92
LIABILITIES			
Accounts Payable	77,831.11	4,894.66	82,725.77
Accrued Interest Payable	28,000.00		28,000.00
Payable to State Government	34,640.20		34,640.20
Deferred Revenue	102,059.98		102,059.98
Noncurrent Liabilities (Note 6)			
Due Within One Year	153,742.70		153,742.70
Due Beyond One Year	1,958,296.21		1,958,296.21
Total Liabilities	2,354,570.20	4,894.66	2,359,464.86
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,681,164.42	-	3,681,164.42
Restricted for:			
Capital Projects	42,603.15		42,603.15
Debt Service (Deficit)	(27,999.93)		(27,999.93)
Other Purposes	369,269.51		369,269.51
Unrestricted	578,303.63	15,050.28	593,353.91
Total Net Assets	$ 4,643,340.78	$ 15,050.28	$ 4,658,391.06

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2008

Function/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
Instruction:							
Regular	$ 2,625,156.59	$ -	$ -	$ -	$ (2,625,156.59)	$ -	$ (2,625,156.59)
Special Education	1,373,585.02		637,220.96		(736,364.06)		(736,364.06)
Other Special Instruction	223,126.42				(223,126.42)		(223,126.42)
Support Services:							
Tuition	1,611,681.45				(1,611,681.45)		(1,611,681.45)
Student & Instruction Related Services	1,553,353.78		243,983.66	15,761.63	(1,293,608.49)		(1,293,608.49)
School Administrative Services	68,693.60				(68,693.60)		(68,693.60)
Other Administrative Services	441,237.21				(441,237.21)		(441,237.21)
Plant Operation and Maintenance	647,930.23				(647,930.23)		(647,930.23)
Pupil Transportation	189,170.36				(189,170.36)		(189,170.36)
Interest on Long-Term Debt	87,811.28				(87,811.28)		(87,811.28)
Total Governmental Activities	8,821,745.94	-	881,204.62	15,761.63	(7,924,779.69)	-	(7,924,779.69)
Business-Type Activities:							
Food Service	132,785.90	48,301.25	56,027.49			(28,457.16)	(28,457.16)
Total Business-Type Activities	132,785.90	48,301.25	56,027.49	-	-	(28,457.16)	(28,457.16)
Total Primary Government	$ 8,954,531.84	$ 48,301.25	$ 937,232.11	$ 15,761.63	$ (7,924,779.69)	$ (28,457.16)	$ (7,953,236.85)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net Taxes Levied for Debt Service					$ 6,366,774.00	$ -	$ 6,366,774.00
Federal and State Aid not Restricted					1,285,155.40		1,285,155.40
Tuition Received					609,830.75		609,830.75
Interest Earnings					47,758.49	27.98	47,786.47
Miscellaneous Income					47,143.07		47,143.07
Transfers					(37,506.59)	37,506.59	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					8,319,155.12	37,534.57	8,356,689.69
Change in Net Assets					394,375.43	9,077.41	403,452.84
Net Assets - Beginning					4,248,965.35	5,972.87	4,254,938.22
Net Assets - Ending					$ 4,643,340.78	$ 15,050.28	$ 4,658,391.06

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

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities 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.

FUND FINANCIAL STATEMENTS

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 931,636.18	$ 145,913.92	$ -	$ -	$ -	$ 1,077,550.10
Due from Other Funds	20,512.55					20,512.55
Receivables from Other Governments	12,157.49			0.07		12,157.56
Restricted Cash & Cash Equivalents	437,946.16					437,946.16
Total Assets	$ 1,402,252.38	$ 145,913.92	$ -	$ 0.07	$ -	$ 1,548,166.37
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 47,283.55	$ 30,547.56	$ -	$ -	$ -	$ 77,831.11
Due to Other Funds	6,875.82	15,543.99				22,419.81
Payable to State Government		34,640.20				34,640.20
Deferred Revenue	10,804.31	91,255.67				102,059.98
Total Liabilities	64,963.68	171,987.42	-	-	-	236,951.10
Fund Balances:						
Reserved for:						
Encumbrances						-
Excess Surplus	343,027.04					343,027.04
Excess Surplus - Designated for Subsequent Year's Expenditures	141,422.00					141,422.00
Capital Reserve Account	42,603.15					42,603.15
Tuition Reserve	224,847.43					224,847.43
Maintenance Reserve	170,495.58					170,495.58
Unreserved, Reported in:						
General Fund - Designated for Subsequent Year's Expenditures	186,719.00					186,719.00
General Fund	228,174.50					228,174.50
Special Revenue Fund		(26,073.50)				(26,073.50)
Capital Projects Fund						-
Debt Service Fund				0.07		0.07
Total Fund Balances	1,337,288.70	(26,073.50)	-	0.07	-	1,311,215.27
Total Liabilities and Fund Balances	$ 1,402,252.38	$ 145,913.92	$ -	$ 0.07	$ -	

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 $7,201,907.19 and the accumulated depreciation is $1,729,742.77.	5,472,164.42
Long-term liabilities, including bonds and capital lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,112,038.91)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(28,000.00)
Net assets of governmental activities	$ 4,643,340.78

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 6,141,962.72	$ -	$ -	$ 224,811.28	$ 6,366,774.00
Tuition	609,830.75				609,830.75
Interest	47,758.49				47,758.49
Miscellaneous	47,143.07	7,406.76			54,549.83
Total Local Sources	6,846,695.03	7,406.76	-	224,811.28	7,078,913.07
State Sources	1,295,241.58	613,694.00			1,908,935.58
Federal Sources		275,865.49			275,865.49
Total Revenues	8,141,936.61	896,966.25	-	224,811.28	9,263,714.14
EXPENDITURES					
Current:					
Regular Instruction	1,937,246.36	-	-	-	1,937,246.36
Special Education Instruction	349,880.42	640,483.46			990,363.88
Other Special Instruction	149,518.92				149,518.92
Support Services:					
Tuition	1,581,864.45				1,581,864.45
Student & Instruction Related Serv.	940,547.75	243,983.66			1,184,531.41
School Administrative Services	54,842.95				54,842.95
Other Administrative Services	366,062.80				366,062.80
Plant Operation and Maintenance	546,044.97				546,044.97
Pupil Transportation	189,170.36				189,170.36
Employee Benefits	1,660,695.50				1,660,695.50
Transfer to Charter Schools	29,817.00				29,817.00
Special Schools	17,312.88				17,312.88
Capital Outlay	173,389.13	15,761.63			189,150.76
Debt Service				224,811.28	224,811.28
Total Expenditures	7,996,393.49	900,228.75	-	224,811.28	9,121,433.52
Excess (Deficiency) of Revenues Over Expenditures	145,543.12	(3,262.50)	-	-	142,280.62
OTHER FINANCING SOURCES (USES)					
Transfer out	(37,506.59)				(37,506.59)
Cancellation of Receivable			(10,086.18)		(10,086.18)
Total Other Financing Sources and Uses	(37,506.59)	-	(10,086.18)	-	(47,592.77)
Net Changes in Fund Balance	108,036.53	(3,262.50)	(10,086.18)	-	94,687.85
Fund Balance - July 1	1,229,252.17	(22,811.00)	10,086.18	0.07	1,216,527.42
Fund Balance - June 30	$ 1,337,288.70	$ (26,073.50)	$ -	$ 0.07	$ 1,311,215.27

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

CITY OF NORTH WILDWOOD 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, 2008

Total Net Change in Fund Balance - Governmental Funds (from B-2)			$ 94,687.85
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 is the amount by which depreciation exceeded capital outlays in the current fiscal year.			
	Depreciation expense	$ (82,807.77)	
	Capital Outlays	189,150.76	
			106,342.99
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.			135,000.00
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 (+).			56,344.59
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.			2,000.00
Change in Net Assets of Governmental Activities			$ 394,375.43

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2008

	Business-type Activities - Enterprise Fund	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 9,963.42	$ 9,963.42
Interfund Accounts Receivable	6,875.82	6,875.82
Accounts Receivable	3,105.70	3,105.70
Total Current Assets	19,944.94	19,944.94
Noncurrent Assets:		
Furniture, Machinery & Equipment	2,089.00	2,089.00
Less: Accumulated Depreciation	(2,089.00)	(2,089.00)
Total Noncurrent Assets	-	-
Total Assets	$ 19,944.94	$ 19,944.94
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 4,894.66	$ 4,894.66
Total Current Liabilities	4,894.66	4,894.66
Noncurrent Liabilities:		
None	-	-
Total Noncurrent Liabilities	-	-
NET ASSETS		
Invested in Capital Assets Net of Related Debt	-	-
Unrestricted	15,050.28	15,050.28
Total Net Assets	$ 15,050.28	$ 15,050.28

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales	$ 34,513.76	$ 34,513.76
Miscellaneous	13,787.49	13,787.49
Total Operating Revenue	48,301.25	48,301.25
Operating Expenses:		
Cost of Sales	94,425.41	94,425.41
Salaries	26,877.15	26,877.15
Employee Benefits	6,469.12	6,469.12
General Supplies	5,014.22	5,014.22
Total Operating Expenses	132,785.90	132,785.90
Operating Income (Loss)	(84,484.65)	(84,484.65)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Breakfast Program	344.20	344.20
State School Lunch Program	2,369.16	2,369.16
Federal Sources:		
National School Breakfast Program	5,154.21	5,154.21
National School Lunch Program	47,565.48	47,565.48
Snack Program	594.44	594.44
Interest and Investment Income	27.98	27.98
Total Nonoperating Revenues (Expenses)	56,055.47	56,055.47
Income (Loss) before Contributions & Transfers	(28,429.18)	(28,429.18)
Transfers In (Out)	37,506.59	37,506.59
Changes in Net Assets	9,077.41	9,077.41
Total Net Assets - Beginning	5,972.87	5,972.87
Total Net Assets - Ending	$ 15,050.28	$ 15,050.28

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 48,301.25	$ 48,301.25
Payments to Employees	(26,877.15)	(26,877.15)
Payments for Employee Benefits	(6,469.12)	(6,469.12)
Payments for Supplies	(95,010.18)	(95,010.18)
Net Cash Provided by (Used for) Operating Activities	(80,055.20)	(80,055.20)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	53,291.40	53,291.40
Federal Sources	2,715.70	2,715.70
Operating Subsidies and Transfers to Other Funds	37,506.59	37,506.59
Net Cash Provided by (Used for) Noncapital Financing Activities	93,513.69	93,513.69
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and Dividends	27.98	27.98
Net Cash Provided by (Used for) Investing Activities	27.98	27.98
Net Increase (Decrease) in Cash and Cash Equivalents	13,486.47	13,486.47
Balance - Beginning of Year	(3,523.05)	(3,523.05)
Balance - End of Year	$ 9,963.42	$ 9,963.42
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (84,484.65)	$ (84,484.65)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:		
Increase (Decrease) in Accounts Payable	4,429.45	4,429.45
Total Adjustments	4,429.45	4,429.45
Net Cash Provided by (Used for) Operating Activities	$ (80,055.20)	$ (80,055.20)

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2008

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 908.82	$ 1,836.40	$ 246,167.68
Interfund Receivable			-
Total Assets	908.82	1,836.40	246,167.68
LIABILITIES			
Accounts Payable	693.07		
Interfund Payable			4,968.56
Payable to Student Groups			10,438.83
Payroll Deductions and Withholdings			230,760.29
Total Liabilities	693.07	-	$ 246,167.68
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 215.75		
Reserved for Scholarships		$ 1,836.40	

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2008

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions	$ 12,981.03	$ 50.00
Total Contributions	12,981.03	50.00
Investment Earnings:		
Interest	-	18.12
Less: Investment Expense		
Net Investment Earnings	-	18.12
Total Additions	12,981.03	68.12
DEDUCTIONS		
Quarterly Contribution Reports	2,699.88	
Unemployment Claims	10,253.94	
Scholarship Awards	-	-
Total Deductions	12,953.82	-
Changes in Net Assets	27.21	68.12
Net Assets (Deficit) - Beginning of the Year	188.54	1,768.28
Net Assets - End of the Year	$ 215.75	$ 1,836.40

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of City of North Wildwood 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 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 purpose of the district is to educate students in grades K-8. The District operates a combined elementary and middle school located in the City of North Wildwood.

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. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Basis of Presentation - Continued

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Basis of Presentation - Continued

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains the Scholarship Fund as a Nonexpendable Trust Fund.

Agency Funds – Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available is they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

C. 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 are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control - Continued

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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.

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.

D. Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Cash, Cash Equivalents and Investments - Continued

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.

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.

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

a. Deposits are uncollateralized.

b. Deposits are collateralized with securities held by the pledging financial institution.

c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy fur custodial credit risk, however the State of New Jersey imposes certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1.

Deposits

All of the deposits of the District are insured through federal depository insurance coverage, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

At June 30, 2008, the District's deposits had a carrying amount of $1,774,382.78 and a bank balance of $1,896,677.16. The bank balances were exposed to custodial credit risk as follows:

		Deposits
Insured	$	133,999.82
Uninsured and collateral held by pledging bank's trust department not in the District's name		1,762,677.34
	$	1,896,677.16

Investments

The District had no investments at June 30, 2008.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2008, consisted of accounts (tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	$ 12,157.56	$ 15,263.26
Interfund	9,708.24	4,968.56
Gross Receivables	21,865.80	20,231.82
Less: Allowance for Uncollectibles		
Total Receivables, Net	$ 21,865.80	$ 20,231.82

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund.

The following interfund balances remained on the fund financial statements at June 30, 2008:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 13,636.73	$
Special Revenue Fund		15,543.99
Food Service Enterprise Fund	6,875.82	
Trust and Agency Fund		4,968.56
Total	$ 20,512.55	$ 20,512.55

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets,not being depreciated:				
Land	$ 474,000.00	$	$	$ 474,000.00
Total capital assets not being depreciated	474,000.00	-	-	474,000.00
Capital assets being depreciated:				
Buildings and improvements	6,160,669.31	189,150.76		6,349,820.07
Machinery & Equipment	378,087.12			378,087.12
Total capital assets being depreciated at historical cost	6,538,756.43	189,150.76	-	6,727,907.19
Less accumulated depreciation for:				
Buildings and improvements	(1,398,454.00)	(70,051.77)	-	(1,468,505.77)
Equipment	(248,481.00)	(12,756.00)	-	(261,237.00)
Total capital assets being depreciated, net of accumulated depreciation	4,891,821.43	106,342.99	-	4,998,164.42
Governmental activity capital assets, net	$ 5,365,821.43	$ 106,342.99	$ -	$ 5,472,164.42
Business-type activities:				
Capital assets being depreciated:				
Equipment	$ 2,089.00	$	$	$ 2,089.00
Less accumulated depreciation	(2,089.00)			(2,089.00)
Enterprise Fund capital assets, net	$ -	$ -	$ -	$ -

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2008 are as follows:

	Balance July 1, 2007	Issues or Additions	Payments or Expenditures	Balance June 30, 2008	Amounts Due Within One Year
Compensated Absences	$ 377,383.50	$	$ 56,344.59	$ 321,038.91	$ 13,742.70
Bonds Payable	1,926,000.00		135,000.00	1,791,000.00	140,000.00
	$ 2,303,383.50	$ -	$ 191,344.59	$ 2,112,038.91	$ 153,742.70

Compensated absences and capital leases have been liquidated in the General Fund.

NOTE 6 – LONG-TERM OBLIGATIONS - Continued

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

At June 30, 2008, bonds payable consisted of the following issues:

$2,821,000.00 General Improvement Bonds, dated January 1, 1999, due in annual installments through February 2, 2019, bearing interest at varying rates. The balance remaining as of June 30, 2008 is $1,791,000.00.

Debt service requirements on serial bonds payable at June 30, 2008 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	$ 140,000.00	$ 83,567.50	$ 223,567.50
2010	145,000.00	77,092.50	222,092.50
2011	150,000.00	70,386.26	220,386.26
2012	155,000.00	63,448.76	218,448.76
2013	155,000.00	56,280.00	211,280.00
2014-2018	856,000.00	168,562.52	1,024,562.52
2019	190,000.00	9,120.00	199,120.00
	$ 1,791,000.00	$ 528,457.54	$ 2,319,457.54

Capital Leases

As of June 30, 2008, the Board had no capital lease obligations.

NOTE 7 – OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2008. Total operating lease payments made during the year ended June 30, 2008 were $29,919.84. Future minimum lease payments are as follows:

Year Ending June 30,		Principal
2009	$	13,039.58
Total future minimum lease payments	$	13,039.58

NOTE 8 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 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 (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 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 of New Jersey 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.

NOTE 8 – PENSION PLANS - Continued

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - 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. PERS provides for employee contributions of 5.5% of employees' annual compensation, as defined. TPAF provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$ 36,745.60	100%	$ -
6/30/2007	21,697.20	100%	-
6/30/2006	14,388.00	100%	-

NOTE 8 – PENSION PLANS - Continued

Three Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$ 444,738.00	100%	$ -
6/30/2007	440,680.00	100%	-
6/30/2006	234,410.00	100%	-

During the fiscal year ended June 30, 2008, the State of New Jersey contributed $444,738.00 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $237,693.08 during the year ended June 30, 2008 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 9 – POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of one percent of the active State payroll.

The State made post – retirement (PRM) contributions of $592.7 million for TPAF and $224.3 million for PERS in Fiscal Year 2007.

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 $110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

NOTE 10 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, 2008, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 11 – DEFERRED COMPENSATION

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by various third-party service organizations, permit 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.

NOTE 12 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by City of North Wildwood Board of Education on September 25, 2000 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 a capital reserve by appropriating funds in the general fund budget certified for taxes. 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 four special elections authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

Beginning balance, July 1, 2007	$ 139,102.50
Interest earnings	3,500.65
Deposits (none)	-
Budgeted Withdrawals	(100,000.00)
Ending balance, June 30, 2008	$ 42,603.15

The withdrawal from the capital reserve was for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 13 – TRANSFERS TO CAPITAL OUTLAY

In the 2007/2008 Budget approved by the voters, the district transferred $100,000.00 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to *N.J.A.C.* 6A:23-8.4.

NOTE 14 – RISK MANAGEMENT

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

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

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	Amounts Reimbursed	Ending Balance
2007-2008	$	$ 12,981.03	$ 12,953.82	$ 215.75
2006-2007	811.47	7,934.69	8,632.71	188.54
2005-2006		11,552.66	18,537.70	75.09

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 16 – FUND BALANCE APPROPRIATED

General Fund - Of the $1,337,288.70 General Fund fund balance at June 30, 2008, $224,847.43 has been legally reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); $343,027.04 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; $141,422.00 of the excess surplus is appropriated and included as anticipated revenue for the year ending June 30, 2008; $42,603.15 has been reserved in the Capital Reserve Account; $170,495.58 has been reserved in the Maintenance Reserve Account; $186,719.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2008; and $228,174.50 is unreserved and undesignated.

Debt Service Fund – The Debt Service Fund fund balance at June 30, 2008 is ($26,073.50).

NOTE 17 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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 of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2008 is $343,027.04.

NOTE 18 – DEFICIT FUND BALANCES

The District has a deficit fund balance of $26,073.50 in the Special Revenue Fund as of June 30, 2008 as reported in the fund statements (modified accrual basis). P.L. 2007, 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. 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. 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. The District deficit in the Special revenue fund in the GAAP fund statements of $26,073.50 is equal to the last state aid payment for that fund.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 6,141,957.00	$ -	$ 6,141,957.00	$ 6,141,962.72	$ 5.72
Other Local Government Units - Restricted	7,875.00		7,875.00	-	(7,875.00)
Tuition	607,277.00		607,277.00	609,830.75	2,553.75
Interest on Investments			-	33,300.01	33,300.01
Interest on Capital Reserve	1,000.00		1,000.00	3,500.65	2,500.65
Interest on Maintenance Reserve			-	4,185.35	4,185.35
Interest on Tuition Reserve			-	6,772.48	6,772.48
Miscellaneous	45,000.00		45,000.00	47,143.07	2,143.07
Total Local Sources	6,803,109.00		6,803,109.00	6,846,695.03	43,586.03
State Sources:					
Transportation Aid	100,105.00		100,105.00	100,105.00	-
Special Education Aid	346,920.00		346,920.00	346,920.00	-
Bilingual Education	8,197.00		8,197.00	8,197.00	-
Stabilization Aid	83,057.00		83,057.00	83,057.00	-
Consolidation Aid	38,170.00		38,170.00	38,170.00	-
Additional Formula Aid	49,792.00		49,792.00	49,792.00	-
Transportation Aid			-	1,192.00	1,192.00
TPAF Pension (On-Behalf, Non-Budgeted)					
Normal Pension Cost			-	226,963.00	226,963.00
Post-Retirement Medical Contributions			-	217,775.00	217,775.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	237,693.08	237,693.08
Total State Sources	626,241.00		626,241.00	1,309,864.08	683,623.08
Total Revenues	7,429,350.00		7,429,350.00	8,156,559.11	727,209.11
EXPENDITURES:					
CURRENT EXPENSE					
Preschool/Kindergarten - Salaries of Teachers	66,000.00		66,000.00	64,646.94	1,353.06
Grades 1 - 5 Salaries of Teachers	951,700.00		951,700.00	948,968.79	2,731.21
Grades 6 - 8 Salaries of Teachers	714,500.00		714,500.00	665,348.15	49,151.85
Regular Programs - Home Instruction					
Salaries of Teachers	3,000.00		3,000.00	268.75	2,731.25
Purchased Professional Educational Services	1,000.00		1,000.00		1,000.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	80,000.00		80,000.00	79,017.48	982.52
Purchased Professional Educational Services	2,700.00	500.00	3,200.00	822.00	2,378.00
Purchased Technical Services	500.00		500.00		500.00
Other Purchased Services (400-500 series)	29,000.00	500.00	29,500.00	22,785.83	6,714.17
General Supplies	135,000.00	1,699.00	136,699.00	131,128.40	5,570.60
Textbooks	12,000.00	(1,699.00)	10,301.00	8,186.22	2,114.78
Other Objects	20,000.00		20,000.00	16,073.80	3,926.20
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,015,400.00	1,000.00	2,016,400.00	1,937,246.36	79,153.64
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center					
Salaries of Teachers	382,462.00		382,462.00	345,910.88	36,551.12
General Supplies	5,000.00		5,000.00	3,969.54	1,030.46
Other Objects			-		-
Total Resource Room/Resource Center	387,462.00	-	387,462.00	349,880.42	37,581.58
TOTAL SPECIAL EDUCATION - INSTRUCTION	387,462.00	-	387,462.00	349,880.42	37,581.58

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial - Instruction					
Salaries of Teachers	$ 150,250.00	$ (73,733.00)	$ 76,517.00	$ 64,061.78	$ 12,455.22
General Supplies	3,000.00		3,000.00	555.27	2,444.73
Total Basic Skills/Remedial - Instruction	153,250.00	(73,733.00)	79,517.00	64,617.05	14,899.95
Bilingual Education - Instruction					
Salaries of Teachers	9,700.00		9,700.00	9,615.90	84.10
General Supplies	700.00		700.00	268.48	431.52
Total Bilingual Education - Instruction	10,400.00	-	10,400.00	9,884.38	515.62
School-Spon. Cocurricular Activities - Instruction					
Salaries	9,700.00		9,700.00	9,700.00	-
Purchased Services (300-500 series)	300.00		300.00		300.00
Supplies & Materials	3,000.00		3,000.00	2,218.31	781.69
Transfers to Cover Deficit	500.00		500.00		500.00
Total School-Spon. Cocurricular Activities - Inst.	13,500.00	-	13,500.00	11,918.31	1,581.69
School-Spon. Cocurricular Athletics - Instruction					
Salaries	39,300.00		39,300.00	37,576.58	1,723.42
Purchased Services (300-500 series)	16,500.00	300.00	16,800.00	16,792.67	7.33
Supplies & Materials	7,500.00	(600.00)	6,900.00	6,729.93	170.07
Other Objects	2,000.00	300.00	2,300.00	2,000.00	300.00
Total School-Spon. Cocurricular Athletics - Inst.	65,300.00	-	65,300.00	63,099.18	2,200.82
TOTAL INSTRUCTION	2,645,312.00	(72,733.00)	2,572,579.00	2,436,645.70	135,933.30
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	842,900.00		842,900.00	842,900.00	-
Tuition to Other LEAs Within the State-Special	67,920.00	14,917.00	82,837.00	79,306.70	3,530.30
Tuition to County Voc. School Dist. - Regular	261,657.00	(6,818.00)	254,839.00	254,278.00	561.00
Tuition to County Voc. School Dist. - Special	56,879.00		56,879.00	56,879.00	-
Tuition to CSSD & Regional Day Schools	404,380.00	(2,000.00)	402,380.00	344,298.75	58,081.25
Tuition to Private Schools - Other		2,000.00	2,000.00	1,980.00	20.00
Tuition - State Facilities		3,000.00	3,000.00	2,222.00	778.00
Tuition - Other					-
Total Undistributed Expenditures - Instruction	1,633,736.00	11,099.00	1,644,835.00	1,581,864.45	62,970.55
Undistributed Expend. - Attend. & Social Worker					
Salaries	65,400.00		65,400.00	64,889.50	510.50
Purchased Services (300-500 series)	25,000.00		25,000.00	25,000.00	-
Other Purchased Services	2,000.00		2,000.00	1,341.00	659.00
Supplies & Materials	2,500.00		2,500.00	323.95	2,176.05
Other Objects	5,500.00		5,500.00	4,274.00	1,226.00
Total Undist. Expend. - Attend. & Social Worker	100,400.00	-	100,400.00	95,828.45	4,571.55
Undistributed Expend. - Health Services					
Salaries	82,466.00		82,466.00	82,465.92	0.08
Purchased Professional and Technical Services	6,100.00		6,100.00	5,465.00	635.00
Other Purchased Services (400-500 series)	250.00		250.00	25.00	225.00
Supplies & Materials	3,000.00		3,000.00	1,219.77	1,780.23
Other Objects	250.00		250.00	85.00	165.00
Total Undistributed Expend. - Health Services	92,066.00	-	92,066.00	89,260.69	2,805.31

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	$ 57,506.00	$ -	$ 57,506.00	$ 57,506.00	$ -
Purchased Professional - Educational Services	3,500.00		3,500.00	3,500.00	-
Supplies & Materials	2,200.00		2,200.00	1,483.99	716.01
Student - Related Services	63,206.00	-	63,206.00	62,489.99	716.01
Undist. Expend. - Other Support Serv. Students - Extra Services					
Salaries	6,000.00		6,000.00	6,000.00	-
Purchased Professional - Educational Services	99,950.00	14,388.00	114,338.00	111,862.42	2,475.58
Supplies & Materials	400.00		400.00	16.99	383.01
Student - Extra Services	106,350.00	14,388.00	120,738.00	117,879.41	2,858.59
Undist. Expend. - Other Support Serv. Students Reg.					
Salaries of Other Professional Staff	137,600.00	(4,850.00)	132,750.00	132,041.15	708.85
Salaries of Secretarial and Clerical Assistants	35,800.00		35,800.00	35,331.62	468.38
Purchased Professional - Educational Services	11,200.00	15,850.00	27,050.00	18,511.00	8,539.00
Other Purchased Prof. And Tech. Services	2,500.00		2,500.00	326.98	2,173.02
Other Purchased Services (400-500 series)	1,600.00		1,600.00	1,341.00	259.00
Supplies & Materials	6,500.00		6,500.00	4,780.89	1,719.11
Undist. Expend. - Other Support Serv. Students Reg.	195,200.00	11,000.00	206,200.00	192,332.64	13,867.36
Undist. Expend. - Other Support Serv. Students - Special					
Salaries of Other Professional Staff	125,000.00	29,100.00	154,100.00	144,737.75	9,362.25
Salaries of Secretarial and Clerical Assistants	29,200.00		29,200.00	27,591.25	1,608.75
Purchased Professional - Education Services	42,775.00	(26,600.00)	16,175.00	15,635.00	540.00
Other Purchased Professional and Tech. Services	2,950.00		2,950.00	2,915.00	35.00
Misc Purchased Services (400-500 series)	3,500.00		3,500.00	1,351.55	2,148.45
Supplies & Materials	5,500.00		5,500.00	3,972.53	1,527.47
Other Objects	1,500.00		1,500.00	958.10	541.90
Undist. Expend. - Other Support Serv. Students Spec.	210,425.00	2,500.00	212,925.00	197,161.18	15,763.82
Undist. Expend. - Improvement of Inst. Services					
Salary of Supervisor of Instruction	43,500.00	(2,500.00)	41,000.00	39,802.72	1,197.28
Salaries of Secretarial and Clerical Assistants	28,950.00		28,950.00	28,950.00	-
Other Purchased Services (400-500 series)	500.00		500.00		500.00
Supplies & Materials	1,000.00		1,000.00	58.85	941.15
Other Objects	1,000.00		1,000.00	339.00	661.00
Total Undist. Expend. - Improvement of Inst. Serv.	74,950.00	(2,500.00)	72,450.00	69,150.57	3,299.43
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	83,000.00		83,000.00	81,291.07	1,708.93
Purchased Professional and Technical Services	5,500.00		5,500.00	685.00	4,815.00
Other Purchased Services (400-500 series)	7,000.00		7,000.00	1,472.21	5,527.79
Supplies & Materials	32,000.00		32,000.00	28,401.94	3,598.06
Other Objects	200.00		200.00		200.00
Total Undistributed Expenditures - Educational Media Services - School Library	127,700.00	-	127,700.00	111,850.22	15,849.78
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	4,000.00		4,000.00	3,789.58	210.42
Purchased Professional - Education Services	500.00		500.00	500.00	-
Supplies & Materials	500.00		500.00	305.02	194.98
Total Undistributed Expenditures - Instructional Staff Training Services	5,000.00	-	5,000.00	4,594.60	405.40

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	$ 122,650.00	$ -	$ 122,650.00	$ 121,712.57	$ 937.43
Legal Services	4,000.00		4,000.00		4,000.00
Audit Fees	19,800.00		19,800.00	18,600.00	1,200.00
Other Purchased Professional Services	4,000.00		4,000.00	1,217.00	2,783.00
Communications/Telephone	12,500.00		12,500.00	12,139.22	360.78
BOE Other Purchased Services	3,750.00		3,750.00	442.12	3,307.88
Other Purchased Services (400-500 series)	21,000.00	1,055.00	22,055.00	20,999.18	1,055.82
General Supplies	10,000.00	20.00	10,020.00	10,019.13	0.87
BOE in-House Training/Meeting Supplies	600.00		600.00	549.19	50.81
Miscellaneous Expenditures	16,500.00	(20.00)	16,480.00	15,106.79	1,373.21
BOE Membership Dues and Fees	11,000.00		11,000.00	10,591.00	409.00
Total Undistributed Expenditures - Support Services - General Administration	225,800.00	1,055.00	226,855.00	211,376.20	15,478.80
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	33,255.00		33,255.00	33,255.00	-
Salaries of Secretarial and Clerical Assistants	11,350.00		11,350.00	11,350.00	-
Other Purchased Services (400-500 series)	2,550.00		2,550.00	2,074.08	475.92
Supplies & Materials	5,800.00		5,800.00	5,678.23	121.77
Other Objects	4,200.00		4,200.00	2,485.64	1,714.36
Total Undistributed Expenditures - Support Services - School Administration	57,155.00	-	57,155.00	54,842.95	2,312.05
Undist. Expend. - Central Services					
Salaries	123,400.00	(17,600.00)	105,800.00	105,096.90	703.10
Purchased Professional Services	18,625.00	17,600.00	36,225.00	36,225.00	-
Miscellaneous Purchased Service (400-500 Series)	2,020.00		2,020.00	1,471.10	548.90
Supplies and Materials	4,117.50		4,117.50	1,710.47	2,407.03
Miscellaneous Expenditures	2,200.00		2,200.00	2,192.81	7.19
Total Undistributed Expenditures - Central Services	150,362.50	-	150,362.50	146,696.28	3,666.22
Undist. Expend. - Admin. Info. Technology					
Purchased Technical Services	9,000.00	(1,000.00)	8,000.00	6,025.00	1,975.00
Supplies and Materials	1,800.00	1,000.00	2,800.00	1,965.32	834.68
Total Undistributed Expenditures - Admin. Info. Tech.	10,800.00	-	10,800.00	7,990.32	2,809.68
Undist. Expend. - Required Maint. School Fac.					
Salaries	22,000.00		22,000.00	21,999.23	0.77
Cleaning, Repair and Maintenance Service	54,000.00		54,000.00	40,732.72	13,267.28
General Supplies	5,974.00		5,974.00	4,881.31	1,092.69
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	82,474.00	-	82,474.00	67,613.26	14,860.74
Undist. Expend. - Other Oper. & Maint.of Plant					
Salaries	244,783.00		244,783.00	237,701.46	7,081.54
Purchased Professional and Technical Services	6,000.00		6,000.00	2,625.69	3,374.31
Cleaning, Repair, and Maintenance Services	50,239.00	(8,000.00)	42,239.00	22,900.30	19,338.70
Other Purchased Property Services	10,600.00	8,000.00	18,600.00	14,997.43	3,602.57
Insurance	14,000.00		14,000.00	13,389.00	611.00
Miscellaneous Purchased Services	300.00		300.00	169.72	130.28
General Supplies	27,551.06	3,000.00	30,551.06	29,497.35	1,053.71
Energy (Heat and Electricity)	165,000.00		165,000.00	156,948.76	8,051.24
Other Objects	700.00		700.00	202.00	498.00
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	519,173.06	3,000.00	522,173.06	478,431.71	43,741.35
Total Undistributed Expenditures Operations and Maintenance of Plant	601,647.06	3,000.00	604,647.06	546,044.97	58,602.09

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC & CTSA Trans Program	$ 9,800.00	$ -	$ 9,800.00	$ 7,057.97	$ 2,742.03
Other Purchased Prof. and Technical Services	10,875.00		10,875.00	10,875.00	-
Contr Serv (Bet. Home & Sch) - Vendors	10,000.00	1,127.00	11,127.00	10,749.06	377.94
Contr. Serv. (Other than Home & School) - Vend	14,000.00		14,000.00	12,860.23	1,139.77
Contr. Serv. - (Bt. Home and School) - Joint Agrmt	10,000.00	(4,327.00)	5,673.00		5,673.00
Contr. Serv. - (Reg Students) - ESCs & CTSAs	30,000.00		30,000.00	28,280.10	1,719.90
Contr. Serv. (Spc Ed. Students) - ESCs & CTSAs	138,000.00	4,327.00	142,327.00	108,610.50	33,716.50
Contr. Serv. - Aid in Lieu of Payments - Non Pub	11,340.00	(917.00)	10,423.00	8,160.50	2,262.50
Contr. Serv. - Aid in Lieu of Payments - Charter	1,660.00	917.00	2,577.00	2,577.00	-
Total Undistributed Expenditures - Student Transportation Services	235,675.00	1,127.00	236,802.00	189,170.36	47,631.64
Unallocated Benefits					
Social Security Contribution	65,000.00		65,000.00	58,066.89	6,933.11
Other Retirement Contributions - Regular	40,000.00		40,000.00	36,745.60	3,254.40
Unemployment Compensation	8,000.00	5,883.00	13,883.00	13,882.78	0.22
Workmen's Compensation	33,000.00	(1,800.00)	31,200.00	30,746.00	454.00
Health Benefits	919,000.00	(18,265.00)	900,735.00	796,807.80	103,927.20
Sick Pay Disbursement	-	35,307.00	35,307.00	35,306.25	0.75
Tuition Reimbursement	11,200.00		11,200.00	5,134.10	6,065.90
Other Employee Benefits	1,700.00		1,700.00	1,575.00	125.00
Total Unallocated Benefits	1,077,900.00	21,125.00	1,099,025.00	978,264.42	120,760.58
TPAF (On-Behalf-Non-Budgeted)					
Normal Pension Cost			-	226,963.00	(226,963.00)
Post-Retirement Medical Contributions			-	217,775.00	(217,775.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	237,693.08	(237,693.08)
Total On-Behalf Contributions			-	682,431.08	(682,431.08)
Total Personal Services - Employee Benefits	1,077,900.00	21,125.00	1,099,025.00	1,660,695.50	(561,670.50)
TOTAL UNDISTRIBUTED EXPENDITURES	4,968,372.56	62,794.00	5,031,166.56	5,339,228.78	(308,062.22)
TOTAL GENERAL CURRENT EXPENSE	7,613,684.56	(9,939.00)	7,603,745.56	7,775,874.48	(172,128.92)
CAPITAL OUTLAY					
Equipment					
Instruction	30,000.00		30,000.00	11,418.49	18,581.51
Operation & Maint. Of Plant Serv.	5,000.00		5,000.00		5,000.00
Total Equipment	35,000.00	-	35,000.00	11,418.49	23,581.51
Interest Deposit to Capital Reserve	1,000.00		1,000.00		1,000.00
	1,000.00	-	1,000.00	-	1,000.00
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services	11,000.00		11,000.00	1,361.64	9,638.36
Construction Services	209,473.00		209,473.00	160,609.00	48,864.00
Total Facilities Acquisition and Constr. Serv	220,473.00	-	220,473.00	161,970.64	58,502.36
TOTAL CAPITAL OUTLAY	256,473.00	-	256,473.00	173,389.13	83,083.87
Summer School - Instruction					
Salaries of Teachers	13,000.00		13,000.00	12,841.40	158.60
Other Salaries for Instruction	500.00		500.00	500.00	-
General Supplies	200.00		200.00	57.48	142.52
Total Summer School - Instruction	13,700.00	-	13,700.00	13,398.88	301.12
Summer School - Support Services					
Salaries	4,438.00		4,438.00	3,914.00	524.00
Total Summer School - Support Services	4,438.00	-	4,438.00	3,914.00	524.00
TOTAL SUMMER SCHOOL	18,138.00	-	18,138.00	17,312.88	825.12

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Transfer of Funds to Charter Schools	$ 19,878.00	$ 9,939.00	$ 29,817.00	$ 29,817.00	$ -
TOTAL EXPENDITURES	7,908,173.56	-	7,908,173.56	7,996,393.49	(88,219.93)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(478,823.56)	-	(478,823.56)	160,165.62	638,989.18
Other Financing Sources					
Operating Transfers Out:					
Transfer to Capital Projects Fund	10,086.00	-	10,086.00		(10,086.00)
Transfer to Cover Deficit (Food Service)	(44,000.00)		(44,000.00)	(37,506.59)	6,493.41
Total Other Financing Sources	(33,914.00)	-	(33,914.00)	(37,506.59)	(3,592.59)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(512,737.56)	-	(512,737.56)	122,659.03	635,396.59
Fund Balance July 1	1,237,647.17	-	1,237,647.17	1,237,647.17	-
Fund Balance June 30	$ 724,909.61	$ -	$ 724,909.61	$ 1,360,306.20	$ 635,396.59

Recapitulation:	
Reserve for Encumbrances	$ -
Excess Surplus - Designated for Subsequent Year's Expenditures	141,422.00
Reserve for Excess Surplus	343,027.04
Capital Reserve	42,603.15
Maintenance Reserve	170,495.58
Tuition Reserve for 2008-2009	123,488.56
Tuition Reserve for 2010-2011	101,358.87
Unreserved - Designated for Subsequent Year's Expenditures	186,719.00
Unrestricted Fund Balance	251,192.00
	1,360,306.20
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP Basis	23,017.50
	$ 1,337,288.70

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	$ 2,500.00	$ 5,806.00	$ 8,306.00	$ 7,406.76	$ (899.24)
State Sources	568,534.00	71,123.00	639,657.00	614,288.66	(25,368.34)
Federal Sources	257,560.00	118,516.00	376,076.00	275,207.41	(100,868.59)
Total Revenues	828,594.00	195,445.00	1,024,039.00	896,902.83	(127,136.17)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	373,216.00	28,729.00	401,945.00	397,711.50	4,233.50
Other Salaries for Instruction	51,890.00		51,890.00	46,980.00	4,910.00
Tuition	88,000.00	35,596.00	123,596.00	117,747.55	5,848.45
Purchased Professional and Technical Services	2,700.00	12,389.50	15,089.50	11,085.68	4,003.82
Other Purchased Services (400-500 series)	300.00	8,493.00	8,793.00	8,443.90	349.10
General Supplies	26,462.00	22,765.00	49,227.00	37,806.91	11,420.09
Textbooks	16,000.00	2,382.00	18,382.00	17,382.00	1,000.00
Total Instruction	558,568.00	110,354.50	668,922.50	637,157.54	31,764.96
Support Services:					
Salaries of Other Professional Staff	71,282.00	8,077.00	79,359.00	77,538.07	1,820.93
Personal Services - Employee Benefits	138,026.00	8,380.00	146,406.00	105,839.88	40,566.12
Purchased Professional - Educational Services	3,500.00	12,896.00	16,396.00	16,178.86	217.14
Purchased Technical Services	23,662.00	19,339.00	43,001.00	21,625.00	21,376.00
Other Purchased Services (400-500 series)	77.00	423.00	500.00	-	500.00
Travel	17,586.00	26,495.00	44,081.00	16,858.11	27,222.89
Supplies & Materials	3,393.00	5,540.50	8,933.50	5,943.74	2,989.76
Total Support Services	257,526.00	81,150.50	338,676.50	243,983.66	94,692.84

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	$ 12,500.00	$ 3,940.00	$ 16,440.00	$ 15,761.63	$ 678.37
Total Facilities Acquisitions and Const. Services:	12,500.00	3,940.00	16,440.00	15,761.63	678.37
Transfer to Charter Schools			-	-	-
Other Financing Sources (Uses)					
Contribution to Whole School Reform	-		-		-
	-	-	-	-	-
Total Outflows	828,594.00	195,445.00	1,024,039.00	896,902.83	127,136.17
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2008

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

		General Fund		Special Revenue Fund
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	$ 8,156,559.11	[C-2]	$ 896,902.83
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				3,325.92
Prior year final State Aid payment was delayed until July 2007 and is recorded as revenue in current year under GAAP.		8,395.00		22,811.00
Final State Aid payment was delayed until July 2008 is recorded as budgetary revenue but is not recognized under GAAP.		(23,017.50)		(26,073.50)
	[B-2]	$ 8,141,936.61	[B-2]	$ 896,966.25
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	$ 7,996,393.49	[C-2]	$ 896,902.83
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.				3,325.92
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 7,996,393.49	[B-2]	$ 900,228.75

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is 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.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Early Childhood Program Aid	Demonstrably Effective Program Aid	Safety Grant	Chiarella Grant	Rebel Grant	Nonpublic Supplemental Instruction	Nonpublic Basic Skills
REVENUES:							
Local Sources	$ -	$ -	$ 497.85	$ 3,748.00	$ 3,160.91	$ -	$ -
State Sources	310,352.40	164,763.30				826.00	18,290.40
Federal Sources							
Total Revenues	310,352.40	164,763.30	497.85	3,748.00	3,160.91	826.00	18,290.40
EXPENDITURES:							
Instruction:							
Salaries of Teachers	176,439.76	94,951.20				826.00	18,018.25
Other Salaries for Instruction	44,480.00	2,500.00					
Tuition							
Purchased Technical Services							
Other Purchased Services (400-500 series)							
General Supplies	19,162.00	1,980.00		3,748.00			
Textbooks							
Total Instruction	240,081.76	99,431.20	-	3,748.00	-	826.00	18,018.25
Support Services:							
Salaries of Other Professional Staff	5,750.64	30,355.00			1,750.00		
Personal Services - Employee Benefits	64,520.00	29,722.00					
Purchased Professional - Educational Services		2,555.10					
Purchased Technical Services		2,700.00					
Other Purchased Services (400-500 series)							
Travel							
Supplies & Materials			497.85		1,410.91		272.15
Total Support Services	70,270.64	65,332.10	497.85	-	3,160.91	-	272.15
Facilities Acquisition and Constr. Services:							
Instructional Equipment							
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-	-
Contribution to Charter Schools		-					
Total Outflows	310,352.40	164,763.30	497.85	3,748.00	3,160.91	826.00	18,290.40
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Nonpublic Examination & Classification	Nonpublic Nursing	Nonpublic Technology	NJ Character Education	Nonpublic IDEA Preschool	IDEA 2007-08	IDEA Carryover
REVENUES:							
Local Sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Sources	150.00	22,302.84	11,761.63	3,210.09			
Federal Sources					3,141.90	150,113.00	102.00
Total Revenues	150.00	22,302.84	11,761.63	3,210.09	3,141.90	150,113.00	102.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers						6,549.79	
Other Salaries for Instruction							
Tuition						117,747.55	
Purchased Technical Services	150.00			718.18		10,217.50	
Other Purchased Services (400-500 series)					3,141.90		102.00
General Supplies				2,491.91			
Textbooks							
Total Instruction	150.00	-	-	3,210.09	3,141.90	134,514.84	102.00
Support Services:							
Salaries of Other Professional Staff		22,302.84				13,329.59	
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Purchased Technical Services							
Other Purchased Services (400-500 series)							
Travel							
Supplies & Materials						2,268.57	
Total Support Services	-	22,302.84	-	-	-	15,598.16	-
Facilities Acquisition and Constr. Services:							
Instructional Equipment			11,761.63				
Total Facilities Acquisition and Constr. Services	-	-	11,761.63	-	-	-	-
Contribution to Charter Schools							
Total Outflows	150.00	22,302.84	11,761.63	3,210.09	3,141.90	150,113.00	102.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Title I	Title IIA	Title IIA Carryover	Title IID	IDEA Carryover	Non Public Textbooks	Targeted At-Risk Aid	Totals 2008
REVENUES:								
Local Sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,406.76
State Sources						17,382.00	65,250.00	614,288.66
Federal Sources	84,269.44	28,012.81	7,955.26	380.00	1,233.00			275,207.41
Total Revenues	84,269.44	28,012.81	7,955.26	380.00	1,233.00	17,382.00	65,250.00	896,902.83
EXPENDITURES:								
Instruction:								
Salaries of Teachers	72,607.00	4,744.50					23,575.00	397,711.50
Other Salaries for Instruction								46,980.00
Tuition								117,747.55
Purchased Technical Services								11,085.68
Other Purchased Services (400-500 series)							5,200.00	8,443.90
General Supplies					1,233.00		9,192.00	37,806.91
Textbooks						17,382.00		17,382.00
Total Instruction	72,607.00	4,744.50	-	-	1,233.00	17,382.00	37,967.00	637,157.54
Support Services:								
Salaries of Other Professional Staff							4,050.00	77,538.07
Personal Services - Employee Benefits	11,289.88						308.00	105,839.88
Purchased Professional - Educational Services		7,623.76	6,000.00					16,178.86
Purchased Technical Services							18,925.00	21,625.00
Other Purchased Services (400-500 series)								-
Travel	372.56	15,644.55	461.00	380.00				16,858.11
Supplies & Materials			1,494.26					5,943.74
Total Support Services	11,662.44	23,268.31	7,955.26	380.00	-	-	23,283.00	243,983.66
Facilities Acquisition and Constr. Services:								
Instructional Equipment							4,000.00	15,761.63
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-	4,000.00	15,761.63
Contribution to Charter Schools								-
Total Outflows	84,269.44	28,012.81	7,955.26	380.00	1,233.00	17,382.00	65,250.00	896,902.83
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Demonstrably Effective Aid Schedule of Expenditures
Budgetary Basis
For the Year Ended June 30, 2008

District-wide Total - Margaret Mace School

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 94,952.00	$ 94,951.20	$ 0.80
Other Salaries for Instruction	2,500.00	2,500.00	-
General Supplies	1,980.00	1,980.00	-
Total Instruction	99,432.00	99,431.20	0.80
Support Services:			
Salaries of Other Professional Staff	30,355.00	30,355.00	-
Personal Services - Employee Benefits	29,722.00	29,722.00	-
Purchased Professional - Educational Services	3,000.00	2,555.10	444.90
Purchased Technical Services	3,000.00	2,700.00	300.00
Total Support Services	66,077.00	65,332.10	744.90
Contribution to Charter Schools			-
Total Expenditures	$ 165,509.00	$ 164,763.30	$ 745.70

CALCULATION OF BUDGET & CARRYOVER

Total 2007-08 DEPA Allocation	$ 153,781.00
Actual DEPA Carryover June 30, 2007	21,786.61
	175,567.61
Less: 2007-08 Budgeted DEPA (Including prior year budgeted carryover)	(165,509.00)
Available & Unbudgeted DEPA Funds as of June 30, 2008	10,058.61
Add: 2007-08 Unexpended DEPA	745.70
2007-08 Carryover Available for Transfer to the General Fund	$ 10,804.31
2007-08 DEPA Carryover Budgeted in 2008-09	$ -

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Schedule of Early Childhood Program Aid
Budgetary Basis
For the Year Ended June 30, 2008

District-wide Total

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 177,112.00	$ 176,439.76	$ 672.24
Other Salaries for Instruction	44,480.00	44,480.00	-
General Supplies	19,162.00	19,162.00	-
Textbooks	1,000.00	-	1,000.00
Total Instruction	241,754.00	240,081.76	1,672.24
Support Services:			
Salaries of Other Professional Staff	5,751.00	5,750.64	0.36
Personal Services - Employee Benefits	64,520.00	64,520.00	-
Total Support Services	70,271.00	70,270.64	0.36
Total Expenditures	$ 312,025.00	$ 310,352.40	$ 1,672.60

CALCULATION OF BUDGET & CARRYOVER

Total 2007-08 ECPA Allocation	$ 302,439.00
Add: Actual ECPA Carryover (June 30, 2007)	16,153.44
Add: Budgeted transfer from the General Fund	-
Total ECPA Funds Available for 2007-08 Budget	318,592.44
Less: 2007-08 Budgeted ECPA (Including) Prior year budget carryover)	(312,025.00)
Available & Unbudgeted ECPA Funds as of June 30, 2008	6,567.44
Add: 2007-08 Unexpended ECPA	1,672.60
2007-08 Actual Carryover ECPA/Preschool Programs	$ 8,240.04
2007-08 ECPA Carryover Budgeted for Preschool Programs in 2008-09	$ -

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Early Childhood Program Aid Schedule of Expenditures
Budgetary Basis
For the Year Ended June 30, 2008

Program: Preschool	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 100,239.00	$ 99,567.16	$ 671.84
Other Salaries for Instruction	33,280.00	33,280.00	-
General Supplies	6,400.00	6,400.00	-
Total Instruction	139,919.00	139,247.16	671.84
Support Services:			
Salaries of Other Professional Staff			-
Personal Services - Employee Benefits	40,156.00	40,156.00	-
Total Support Services	40,156.00	40,156.00	-
Total Expenditures	$ 180,075.00	$ 179,403.16	$ 671.84

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Early Childhood Program Aid Schedule of Expenditures
Budgetary Basis
For the Year Ended June 30, 2008

Program: Kindergarten	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 76,873.00	$ 76,872.60	$ 0.40
Other Salaries for Instruction	11,200.00	11,200.00	-
General Supplies	6,400.00	6,400.00	-
Total Instruction	94,473.00	94,472.60	0.40
Support Services:			
Salaries of Other Professional Staff			-
Personal Services - Employee Benefits	24,364.00	24,364.00	-
Total Support Services	24,364.00	24,364.00	-
Total Expenditures	$ 118,837.00	$ 118,836.60	$ 0.40

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Early Childhood Program Aid Schedule of Expenditures
Budgetary Basis
For the Year Ended June 30, 2008

Program: Grades 1-3	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
General Supplies	$ 6,362.00	$ 6,362.00	$ -
Textbooks	1,000.00		1,000.00
Total Instruction	7,362.00	6,362.00	1,000.00
Support Services:			
Salaries of Other Professional Staff	5,751.00	5,750.64	0.36
Total Support Services	5,751.00	5,750.64	0.36
Total Expenditures	$ 13,113.00	$ 12,112.64	$ 1,000.36

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Targeted At-Risk (TARA) Aid
Budgetary Basis
For the Year Ended June 30, 2008

District-wide Total

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 23,575.00	$ 23,575.00	$ -
Other Purchased Services (400-500 series)	5,200.00	5,200.00	-
General Supplies	9,192.00	9,192.00	-
Total Instruction	37,967.00	37,967.00	-
Support Services:			
Salaries of Other Professional Staff	4,050.00	4,050.00	-
Personal Services - Employee Benefits	308.00	308.00	-
Purchased Technical Services	18,925.00	18,925.00	-
Total Support Services	23,283.00	23,283.00	-
Facilities Acquisition and Construction Services			
Instructional Equipment	4,000.00	4,000.00	-
Total Facilities Acquisition and Construction Services	4,000.00	4,000.00	-
Total Expenditures	$ 65,250.00	$ 65,250.00	$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2007-08 ECPA Allocation	$ 65,250.00
Less: TARA Transferred to General Fund - Tax Relief	-
TARA Available for 2007-08 Program Budget	65,250.00
2007-08 Tara Expended/Obligated	65,250.00
2007-08 Actual Carryover - TARA	-
2007-08 TARA Carryover Budgeted as Unrestricted General Fund Revenue for 2008-09	$ -

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Capital Projects Funds
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2008

Revenues and Other Financing Sources:	
None	$ -
Total Revenues	-
Expenditures and Other Financing Uses:	
Construction Services	-
Cancellation of Receivable	10,086.18
Total Expenditures	10,086.18
Excess (deficiency) of revenues over (under) expenditures	(10,086.18)
Fund balance - beginning	10,086.18
Fund balance - ending	$ -

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Capital Projects Funds
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof Project
From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 121,689.55	$	$ 121,689.55	$ 121,689.55
Transfer from Capital Outlay	195,000.00		195,000.00	195,000.00
Total Revenues	316,689.55	-	316,689.55	316,689.55
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	14,202.50		14,202.50	14,202.50
Construction Services	292,400.87		292,400.87	302,487.05
Total Expenditures	306,603.37	-	306,603.37	316,689.55
Other Financing Sources (Uses):				
Unexpended Project Balance Canceled		(10,086.18)	(10,086.18)	
Excess (deficiency) of revenues over (under) expenditures	$ 10,086.18	$ (10,086.18)	$ -	$ -

Additional Project Information:

Project Number	3680-060-03-0891
Grant Date	7/11/2003
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	-
Original Authorized Cost	346,581.88
Additional Authorized Cost	
Revised Authorized Cost	346,581.88
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	96.82%
Original Target Completion Date	Jun-05
Revised Target Completion Date	N/A

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 is an expendable trust fund used to pay unemployment compensation insurance claims.

Scholarship Fund – This is a non-expendable trust fund in which expenses are limited to amounts earned on trust principal.

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.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2008

	Unemployment Compensation Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	$ 908.82	$ 1,836.40	$ 246,167.68	$ 248,912.90
Total Assets	908.82	1,836.40	246,167.68	248,912.90
LIABILITIES				
Accounts Payable	693.07			693.07
Interfund Payable			4,968.56	4,968.56
Payable to Student Groups			10,438.83	10,438.83
Payroll Deductions & Withholdings			230,760.29	230,760.29
Total Liabilities	693.07	-	246,167.68	246,860.75
NET ASSETS (DEFICIT)				
Held in Trust for Unemployment Claims and Other Purposes	$ 215.75			215.75
Reserve for Scholarships		$ 1,836.40		1,836.40
Total Net Assets				2,052.15
Total Liabilities and Net Assets				$ 248,912.90

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2008

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Member	$ 12,981.03	$	$ 12,981.03
Donations		50.00	50.00
Total Contributions	12,981.03	50.00	13,031.03
Investments Earnings:			
Interest	-	18.12	18.12
Net Investment Earnings	-	18.12	18.12
Total Additions	12,981.03	68.12	13,049.15
DEDUCTIONS			
Quarterly Contribution Reports	2,699.88		2,699.88
Unemployment Claims	10,253.94		10,253.94
Total Deductions	12,953.82	-	12,953.82
Change in Net Assets	27.21	68.12	95.33
Net Assets (Deficit)- Beginning of the Year	188.54	1,768.28	1,956.82
Net Assets (Deficit) - End of the Year	$ 215.75	$ 1,836.40	$ 2,052.15

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Margaret Mace School	$ 9,084.59	$ 10,821.56	$ 9,467.32	$ 10,438.83
Total All Schools	$ 9,084.59	$ 10,821.56	$ 9,467.32	$ 10,438.83

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS:				
Cash and Cash Equivalents	$ 260,582.78	$ 4,879,263.89	$ 4,904,117.82	$ 235,728.85
Total Assets	$ 260,582.78	$ 4,879,263.89	$ 4,904,117.82	$ 235,728.85
LIABILITIES:				
Payroll Deductions & Withholdings	$ 235,550.09	$ 4,877,630.82	$ 4,882,420.62	$ 230,760.29
Interfund Payable	25,032.69	1,633.07	21,697.20	4,968.56
Total Liabilities	$ 260,582.78	$ 4,879,263.89	$ 4,904,117.82	$ 235,728.85

LONG-TERM DEBT SCHEDULES

The Long-term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding an obligations under capital leases.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2008

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2008 Date	Amount	Interest Rate	Balance June 30, 2007	Increased	Decreased	Balance June 30, 2008
Construction and Renovation of Margaret Mace School	1/1/1999	$ 2,821,000	2/1/2009	$ 140,000	4.625%	$ 1,926,000.00	$	$ 135,000.00	$ 1,791,000.00
			2/1/2010	145,000	4.625%				
			2/1/2011	150,000	4.625%				
			2/1/2012	155,000	4.625%				
			2/1/2013	155,000	4.625%				
			2/1/2014	160,000	4.625%				
			2/1/2015	165,000	4.625%				
			2/1/2016	175,000	4.700%				
			2/1/2017	175,000	4.700%				
			2/1/2018	181,000	4.750%				
			2/1/2019	190,000	4.800%				
						$ 1,926,000.00	$ -	$ 135,000.00	$ 1,791,000.00

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 224,812.00	$	$ 224,812.00	$ 224,811.28	$ 0.72
Total Revenues	224,812.00	-	224,812.00	224,811.28	0.72
EXPENDITURES:					
Regular Debt Service:					
Interest	89,812.00		89,812.00	89,811.28	0.72
Redemption of Principal	135,000.00		135,000.00	135,000.00	-
Total Regular Debt Service	224,812.00	-	224,812.00	224,811.28	0.72
Total Expenditures	224,812.00	-	224,812.00	224,811.28	0.72
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	0.07	-	0.07	0.07	-
Fund Balance, June 30	$ 0.07	$ -	$ 0.07	$ 0.07	$ -

STATISTICAL SECTION

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Net Assets by Component,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	$ -	$ 1,006,801.35	$ 2,014,169.73	$ 2,940,808.65	$ 3,439,821.43	$ 3,681,164.42
Restricted		1,088,181.44	1,063,196.49	430,173.64	452,004.03	383,872.73
Unrestricted		(176,091.81)	(15,798.03)	975,560.64	357,139.89	578,303.63
Total governmental activities net assets	$ -	$ 1,918,890.98	$ 3,061,568.19	$ 4,346,542.93	$ 4,248,965.35	$ 4,643,340.78
Business-type activities						
Invested in capital assets, net of related debt		$ 348.66	$ 158.84	$ -	$ -	$ -
Restricted		-	-	-	-	-
Unrestricted		17,767.65	9,209.12	18,959.42	5,972.87	15,050.28
Total business-type activities net assets	$ -	$ 18,116.31	$ 9,367.96	$ 18,959.42	$ 5,972.87	$ 15,050.28
District-wide						
Invested in capital assets, net of related debt	$ -	$ 1,007,150.01	$ 2,014,328.57	$ 2,940,808.65	$ 3,439,821.43	$ 3,681,164.42
Restricted	-	1,088,181.44	1,063,196.49	430,173.64	452,004.03	383,872.73
Unrestricted	-	(158,324.16)	(6,588.91)	994,520.06	363,112.76	593,353.91
Total district net assets	$ -	$ 1,937,007.29	$ 3,070,936.15	$ 4,365,502.35	$ 4,254,938.22	$ 4,658,391.06

City of North Wildwood School District did not implement GASB 34 until the year ending June 30, 2004.
Source: CAFR Schedule A-1

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
Instruction:						
Regular	$ -	$ 3,182,771.04	$ 3,136,509.35	$ 3,031,862.95	$ 3,310,578.40	$ 2,625,156.59
Special education		388,426.03	386,467.44	561,567.66	606,938.66	1,373,585.02
Other instruction		156,162.52	142,151.81	245,966.98	293,481.46	223,126.42
Support Services:						
Tuition		1,203,146.05	1,533,789.54	1,755,492.80	2,139,839.40	1,611,681.45
Student & instruction related services		1,084,671.71	1,207,626.93	1,283,595.71	1,511,146.30	1,553,353.78
Other administrative services		315,783.95	420,500.92	462,685.09	472,696.18	441,237.21
School administrative services		192,485.52	100,300.61	60,053.30	66,900.23	68,693.60
Business administrative services		223,307.94	60,938.94	-	-	-
Plant operations and maintenance		573,094.17	592,222.75	547,397.01	637,913.19	647,930.23
Pupil transportation		111,612.09	146,282.08	162,717.95	182,557.91	189,170.36
Interest on long-term debt		110,705.06	103,904.55	91,855.51	93,823.80	87,811.28
Unallocated depreciation		81,635.29	2,491.00	-	-	-
Total governmental activities expenses	-	7,623,801.37	7,833,185.92	8,203,194.96	9,315,875.53	8,821,745.94
Business-type activities:						
Food service	-	129,738.70	127,071.47	118,505.93	139,947.07	132,785.90
Total business-type activities expenses	-	129,738.70	127,071.47	118,505.93	139,947.07	132,785.90
Total district expenses	$ -	$ 7,753,540.07	$ 7,960,257.39	$ 8,321,700.89	$ 9,455,822.60	$ 8,954,531.84

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	$ -	$ 506,537.00	$ 670,393.00	$ 704,353.00	$ 891,849.00	$ 609,830.75
Operating grants and contributions		969,279.59	1,782,411.77	1,286,086.14	930,292.83	881,204.62
Capital grants and contributions				13,374.53	13,960.75	15,761.63
Total governmental activities program revenues	-	1,475,816.59	2,452,804.77	2,003,813.67	1,836,102.58	1,506,797.00
Business-type activities:						
Charges for services:						
Food service	-	52,533.98	38,022.42	37,025.56	33,611.34	48,301.25
Operating grants and contributions		50,717.17	42,137.87	48,362.05	53,482.58	56,027.49
Total business-type activities program revenue	-	103,251.15	80,160.29	85,387.61	87,093.92	104,328.74
Total district program revenue	$ -	$ 1,579,067.74	$ 2,532,965.06	$ 2,089,201.28	$ 1,923,196.50	$ 1,611,125.74
Net (Expense)/Revenue						
Governmental activities	$ -	$ (6,147,984.78)	$ (5,380,381.15)	$ (6,199,381.29)	$ (7,479,772.95)	$ (7,314,948.94)
Business-type activities	-	(26,487.55)	(46,911.18)	(33,118.32)	(52,853.15)	(28,457.16)
Total district-wide net expense	$ -	$ (6,174,472.33)	$ (5,427,292.33)	$ (6,232,499.61)	$ (7,532,626.10)	$ (7,343,406.10)

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	$ -	$ 5,531,452.00	$ 5,250,589.00	$ 5,536,977.00	$ 5,817,655.00	$ 6,141,962.72
Taxes levied for debt service		231,544.00	227,141.00	226,605.00	225,824.00	224,811.28
Unrestricted grants and contributions		1,121,809.70	157,032.66	614,670.00	1,269,107.18	1,285,155.40
Investment earnings		9,017.34	20,240.51	53,713.08	65,784.92	47,758.49
Miscellaneous income		4,349.22	5,615.10	6,467.24	43,668.61	47,143.07
Transfers		(36,691.14)	(38,142.56)	(42,698.92)	(39,844.34)	(37,506.59)
Total governmental activities	-	6,861,481.12	5,622,475.71	6,395,733.40	7,382,195.37	7,709,324.37
Business-type activities:						
Investment earnings		17.88	20.27	10.86	22.26	27.98
Transfers		36,691.14	38,142.56	42,698.92	39,844.34	37,506.59
Total business-type activities	-	36,709.02	38,162.83	42,709.78	39,866.60	37,534.57
Total district-wide	$ -	$ 6,898,190.14	$ 5,660,638.54	$ 6,438,443.18	$ 7,422,061.97	$ 7,746,858.94
Changes in Net Assets						
Governmental activities	$ -	$ 713,496.34	$ 242,094.56	$ 196,352.11	$ (97,577.58)	$ 394,375.43
Business-type activities	-	10,221.47	(8,748.35)	9,591.46	(12,986.55)	9,077.41
Total district	$ -	$ 723,717.81	$ 233,346.21	$ 205,943.57	$ (110,564.13)	$ 403,452.84

City of North Wildwood School District did not implement GASB 34 until the year ending June 30, 2004.
Source: CAFR Schedule A-2

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Five Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	$ -	$ 923,554.06	$ 1,094,859.93	$ 1,241,694.76	$ 958,744.17	$ 922,395.20
Unreserved		364,778.91	304,254.15	208,764.47	270,508.00	414,893.50
Total general fund	$ -	$ 1,288,332.97	$ 1,399,114.08	$ 1,450,459.23	$ 1,229,252.17	$ 1,337,288.70
All Other Governmental Funds						
Reserved	$ -	$ -	$ -	$ -	$ 8,142.73	$ -
Unreserved, reported in:						
Special revenue fund		(22,811.00)	(22,811.00)	(22,811.00)	(22,811.00)	(26,073.50)
Capital projects fund		16,943.45	10,086.18	10,086.18	1,943.45	-
Debt service fund		13.93	(0.13)	(0.13)	0.07	0.07
Total all other governmental funds	$ -	$ (5,853.62)	$ (12,724.95)	$ (12,724.95)	$ (12,724.75)	$ (26,073.43)

City of North Wildwood School District did not implement GASB 34 until the year ending June 30, 2004.
Source: CAFR Schedule B-1

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Tax Levy	$ 4,346,502	$ 4,498,454	$ 4,547,250	$ 4,959,575	$ 5,400,033	$ 5,762,996	$ 5,477,730	$ 5,763,582	$ 6,043,479	$ 6,366,774
Tuition charges	273,144	459,440	359,483	412,788	456,806	506,537	670,393	704,353	891,849	609,831
Interest earnings	127,687	74,207	48,161	48,458	10,181	9,017	20,241	53,713	65,785	47,758
Miscellaneous	7,888	8,317	2,730	2,910	8,168	22,602	9,077	8,640	47,684	54,550
State sources	1,299,472	1,185,437	1,316,969	1,268,285	1,437,305	1,715,258	1,603,664	1,630,460	1,822,276	1,908,936
Federal sources	207,580	246,162	390,584	350,799	339,942	357,579	332,319	281,498	387,069	275,865
Total revenue	6,262,274	6,472,017	6,665,177	7,042,814	7,652,435	8,373,989	8,113,423	8,442,246	9,258,142	9,263,714
Expenditures										
Instruction:										
Regular instruction	1,854,606	2,091,581	2,168,919	2,226,332	2,307,107	2,458,610	2,500,903	2,325,304	2,506,593	1,937,246
Special education instruction	186,982	198,222	213,520	239,733	248,047	253,771	266,318	247,456	298,153	990,364
Other special education instruction	45,727	70,513	66,171	74,839	98,012	114,204	105,312	167,630	206,175	149,519
Support Services:										
Tuition	1,342,075	1,348,856	1,522,097	1,503,537	1,240,616	1,185,487	1,513,154	1,737,918	2,098,061	1,581,864
Student & instruction related services	646,119	729,948	778,742	824,440	882,207	857,843	1,008,450	1,106,666	1,189,110	1,184,531
General administrative services	224,052	243,484	239,725	257,826	278,629	242,512	355,096	354,697	381,855	366,063
School administrative services	90,975	99,894	93,094	109,691	128,716	137,160	53,808	49,806	52,816	54,843
Business administrative services						158,174				
Plant operations and maintenance	307,332	403,469	373,316	391,962	431,915	451,106	469,571	496,950	534,153	546,045
Pupil transportation	148,377	161,326	178,850	225,218	194,798	111,612	146,282	162,718	182,558	189,170
Unallocated employee benefits	870,997	794,790	915,809	900,518	1,069,080	1,196,029	1,246,174	1,310,094	1,604,175	1,660,696
Special schools	20,400	18,050	18,699	13,780	12,154	14,962	15,058	16,408	14,274	29,817
Charter Schools	-	-	-	821	-	17,659	20,636	17,574	41,778	17,313
Capital outlay	3,003,099	198,612	368,631	62,986	12,962	346,657	43,454	128,375	103,978	189,151
Debt service:										
Principal	39,750	134,750	95,000	100,000	110,000	120,000	120,000	125,000	130,000	135,000
Interest and other charges	2,357	142,924	126,811	122,418	117,793	112,705	107,155	101,605	95,824	89,811
Total Expenditures	8,782,847	6,636,419	7,159,385	7,054,100	7,132,037	7,778,492	7,971,371	8,348,202	9,439,505	9,121,434
Excess (Deficiency) of revenues over (under) expenditures	(2,520,573)	(164,402)	(494,207)	(11,286)	520,399	595,496	142,052	94,044	(181,363)	142,281
Other Financing Sources (Uses)										
Transfers in	38,444	38,359	100,552	58,657	77,993	195,000				
Transfers out	(71,451)	(74,779)	(137,296)	(92,886)	(110,422)	(231,691)	(38,143)	(42,699)	(39,844)	(37,507)
Cancellation of Receivable										(10,086)
Total other financing sources (uses)	(33,007)	(36,421)	(36,744)	(34,229)	(32,430)	(36,691)	(38,143)	(42,699)	(39,844)	(47,593)
Net change in fund balances	$ (2,553,580)	$ (200,823)	$ (530,951)	$ (45,515)	$ 487,969	$ 558,805	$ 103,910	$ 51,345	$ (221,207)	$ 94,688
Debt service as a percentage of noncapital expenditures	0.73%	4.31%	3.27%	3.18%	3.20%	3.13%	2.87%	2.76%	2.42%	2.52%

Source: CAFR Schedule B-2

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Totals
1999	$ 89,243.19	$ 273,144.00	$ -	$ 1,324.00	$ 363,711.19
2000	35,848.59	459,440.00	-	5,434.95	500,723.54
2001	33,996.39	359,483.00	-	749.34	394,228.73
2002	45,776.89	412,788.00	-	2,910.00	461,474.89
2003	9,552.56	456,804.55	-	5,167.96	471,525.07
2004	9,017.34	506,537.00	-	-	515,554.34
2005	20,240.52	670,393.00	-	5,615.10	696,248.62
2006	53,713.08	704,353.00	-	6,467.24	764,533.32
2007	65,784.92	891,849.00	-	43,668.61	1,001,302.53
2008	47,758.49	609,830.75	-	54,549.83	712,139.07

Source: District Records

CITY OF NORTH WILDWOOD 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	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	(Memo Only) Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
1999	$ 8,409,600	$ 469,599,210	$ -	$ -	$ 133,290,200	$ -	$ 22,401,300	$ 633,700,310	$ 3,803,110	$ 945,769	$ 634,646,079	0.710	$ 630,711,577
2000	8,857,300	472,945,120	-	-	133,828,700	-	22,070,100	637,701,220	4,308,660	850,026	638,551,246	0.713	649,830,656
2001	7,482,800	481,464,348	-	-	132,410,050	-	21,945,300	643,302,498	5,586,310	870,594	644,173,092	0.770	673,904,399
2002	7,287,008	500,653,033	-	-	134,282,050	-	18,326,700	660,548,791	6,481,110	782,246	661,331,037	0.818	756,327,960
2003	7,279,500	529,005,800	-	-	134,158,200	-	17,079,400	687,522,900	8,918,900	659,556	688,182,456	0.838	959,120,435
2004	19,703,200	572,310,400	-	-	123,290,800	-	15,288,900	730,593,300	9,004,700	491,174	731,084,474	0.750	1,284,741,304
2005	10,820,200	645,436,400	-	-	118,183,700	-	20,093,500	794,533,800	10,473,800	378,299	794,912,099	0.726	1,686,105,902
2006	179,405,150	2,698,835,000	-	-	434,694,900	-	79,092,200	3,392,027,250	8,980,600	723,217	3,392,750,467	0.178	2,101,638,353
2007								3,477,802,700	7,030,600	743,549	3,478,546,249	0.183	2,843,099,226
2008	69,472,400	3,042,451,375	-	-	354,785,300	-	63,952,100	3,530,661,175	3,933,300	796,315	3,531,457,490	0.183	3,151,513,752

Source: County Abstract of Ratables & Municipal Tax Assessor

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	CITY OF NORTH WILDWOOD 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	
1999	$ 0.703	$ 0.007	$ 0.710	$ 0.417	$ 0.012	$ 0.032		$ 1.299	$ 2.470
2000	0.670	0.043	0.713	0.423	0.012	0.032		1.320	2.500
2001	0.736	0.034	0.770	0.378	0.011	0.031		1.320	2.510
2002	0.784	0.034	0.818	0.378	0.013	0.035		1.316	2.560
2003	0.805	0.033	0.838	0.410	0.014	0.041		1.317	2.620
2004	0.718	0.032	0.750	0.445	0.018	0.052		1.315	2.580
2005	0.697	0.029	0.726	0.435	0.022	0.062		1.315	2.560
2006	0.171	0.007	0.178	0.105	0.007	0.018		0.392	0.700
2007	0.177	0.006	0.183	0.123	0.008	0.024		0.392	0.730
2008	0.177	0.006	0.183	0.135	0.009	0.026		0.432	0.785

Source: District Records and Municipal Tax Collector

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

	2008			1999		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Youschak Properties, LLC	$ 22,200,000	1	0.63%	$ 2,279,800	3	0.36%
Marina Bay Towers	19,207,600	2	0.54%			
Surf Song of NW, LLC	15,726,800	3	0.45%	1,925,000	5	0.30%
Beach Creek Marina, INC	14,814,200	4	0.42%			
Kings Inn, Inc	9,264,600	5	0.26%	2,117,200	4	0.33%
W & E Enterprises	9,068,700	6	0.26%			
Will & Bill Morey Enterprises, Inc.	9,045,700	7	0.26%	6,625,800	1	1.05%
Sportland Investments	8,000,000	8	0.23%			
Hawaiian Beach Resort, LLC	7,318,100	9	0.21%			
Wyoming Properties, Inc	6,847,800	10	0.19%	3,584,000	2	0.57%
Great A & P Tea Company				1,700,000	8	0.27%
H. Karavangelos				1,525,800	10	0.24%
Matador Motel, Inc				1,740,000	7	0.27%
Vast, Inc				1,829,000	6	0.29%
W & C Florimont				1,532,600	9	0.24%
Totals	$ 121,493,500		3.44%	$ 24,859,200		3.92%
	District Assessed Value		$ 3,531,457,490			$ 633,700,310

Source: District CAFR & Municipal Tax Assessor

CITY OF NORTH WILDWOOD 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	
1999	$ 4,346,502.00	$ 4,346,502.00	100%	$ -
2000	4,498,454.00	4,498,454.00	100%	-
2001	4,547,250.00	4,547,250.00	100%	-
2002	4,959,575.00	4,959,575.00	100%	-
2003	5,400,033.00	5,400,033.00	100%	-
2004	5,762,996.00	5,762,996.00	100%	-
2005	5,477,730.00	5,477,730.00	100%	-
2006	5,763,582.00	5,763,582.00	100%	-
2007	6,043,479.00	6,043,479.00	100%	-
2008	6,366,774.00	6,366,774.00	100%	-

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

CITY OF NORTH WILDWOOD 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			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita Personal Income
1999	$ 2,851,000	$ -	$ -	$ -	$ -	$ 2,851,000	1.04%	$ 29,610
2000	2,726,000	-	-	-	-	2,726,000	1.16%	31,662
2001	2,631,000	-	-	-	-	2,631,000	1.26%	33,265
2002	2,531,000	-	-	-	-	2,531,000	1.36%	34,482
2003	2,421,000	-	-	-	-	2,421,000	1.44%	34,900
2004	2,301,000	-	-	-	-	2,301,000	1.63%	37,398
2005	2,181,000	-	-	-	-	2,181,000	1.79%	39,059
2006	2,056,000	-	-	-	-	2,056,000	2.00%	41,068
2007	1,926,000	-	-	-	-	1,926,000	Not Available	Not Available
2008	1,791,000	-	-	-	-	1,791,000	Not Available	Not Available

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
1999	$ 2,851,000	$ -	$ 2,851,000	0.45%	$ 29,610
2000	2,726,000	-	2,726,000	0.43%	31,662
2001	2,631,000	-	2,631,000	0.41%	33,265
2002	2,531,000	-	2,531,000	0.38%	34,482
2003	2,421,000	-	2,421,000	0.35%	34,900
2004	2,301,000	-	2,301,000	0.31%	37,398
2005	2,181,000	-	2,181,000	0.27%	39,059
2006	2,056,000	-	2,056,000	0.06%	41,068
2007	1,926,000	-	1,926,000	0.06%	Not Available
2008	1,791,000	-	1,791,000	0.05%	Not Available

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2008

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Local Municipality (City of North Wildwood 12-31-2007)	$ 38,212,542.19	100.00%	$ 38,212,542.19
Other debt			
Cape May County	71,941,477.00	5.26%	3,785,808.20
Cape May County MUA	123,281,951.00	5.26%	6,487,520.70
Cape May County Bridge Commission	16,241,046.50	5.26%	854,659.78
Subtotal, overlapping debt			49,340,530.87
City of North Wildwood School District Direct Debt			1,791,000.00
Total direct and overlapping debt			$ 51,131,530.87

Sources:
Equalized value data used to estimate applicable percentages provided by the Cape May County Board of Taxation.
Debt outstanding data provided by each governmental unit.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2007	$ 3,092,754,735
2006	2,763,812,637
2005	1,974,978,374
	$ 7,831,545,746
Average equalized valuation of taxable property	$ 2,610,515,249
Debt limit (3% of average)	78,315,457
Net bonded school debt	1,791,000
Legal debt margin	$ 76,524,457

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	$ 18,527,173	$ 18,765,879	$ 19,328,335	$ 20,361,008	$ 23,117,580	$ 25,992,451	$ 30,888,057	$ 47,225,668	$ 62,827,329	$ 78,315,457
Total net debt applicable to limit	2,851,000	2,726,000	2,631,000	2,531,000	2,421,000	2,301,000	2,181,000	2,056,000	1,926,000	1,791,000
Legal debt margin	$ 15,676,173	$ 16,039,879	$ 16,697,335	$ 17,830,008	$ 20,696,580	$ 23,691,451	$ 28,707,057	$ 45,169,668	$ 60,901,329	$ 76,524,457
Total net debt applicable to the limit as a percentage of debt limit	15.39%	14.53%	13.61%	12.43%	10.47%	8.85%	7.06%	4.35%	3.07%	2.29%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
% limit set by NJSA 18A:24-19.

CITY OF NORTH WILDWOOD 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
1999	4,855	$ 143,757	$ 29,610	19.7%
2000	4,935	156,252	31,662	17.0%
2001	4,896	162,865	33,265	16.3%
2002	4,884	168,410	34,482	18.7%
2003	4,852	169,335	34,900	19.3%
2004	4,763	178,127	37,398	13.7%
2005	4,746	185,374	39,059	11.0%
2006	4,798	197,044	41,068	11.5%
2007	4,849	Not Available	Not Available	11.0%
2008	Not Available	Not Available	Not Available	Not Available

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

	2008			1999		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1				
		2				
This Information is not available for this district.		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Instruction:										
Regular instruction	35	35	37	38	38	38	38	38	38	36
Special education instruction	6	6	7	7	7	7	7	7	7	7
Other special education instruction									1	1
Vocational education										
Other instruction	6	6	8	8	8	8	8	8	8	6
Nonpublic school programs	2	2	2	2	2	2	2	3	2	2
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	7	7	7	7	7	7	7	7	7	8
General administrative services	2	2	2	2	2	2	2	2	2	1
School administrative services	2	2	2	2	2	2	2	2	2	2
Business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	5	5	6	6	6	6	6	6	7	7
Pupil transportation										
Special schools										
Food Service	1	1	1	1	1	1	1	1	1	1
Child Care										
Total	69	69	75	76	76	76	76	77	77	74

Source: District Personnel Records

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio Elementary School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
1999	418.0	$ 5,737,642	$ 13,726	1.56%	48	1:9	420.0	390.0	2.44%	92.86%
2000	409.0	6,160,133	15,061	9.73%	53	1:7	389.0	364.0	-7.38%	93.57%
2001	400.0	6,568,943	16,422	9.04%	52	1:8	404.0	374.0	3.86%	92.57%
2002	411.0	6,768,697	16,469	0.28%	53	1:8	404.0	374.0	0.00%	92.57%
2003	387.0	6,891,282	17,807	8.12%	53	1:7	379.0	351.0	-6.19%	92.61%
2004	380.0	7,199,131	18,945	6.39%	53	1:7	363.0	335.0	-4.22%	92.29%
2005	342.0	7,700,762	22,517	18.85%	52	1:6	337.0	313.0	-7.16%	92.88%
2006	296.0	7,993,222	27,004	19.93%	51	1:6	310.0	289.0	-8.01%	93.23%
2007	315.5	9,109,703	28,874	6.92%	51	1:6	312.7	289.7	0.87%	92.64%
2008	307.5	8,707,471	28,317	-1.93%	51	1:6	337.4	313.1	7.90%	92.80%

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

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
District Buildings										
Elementary										
Margaret Mace School (1925)										
Square Feet	53,170	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811
Capacity (students)	360	538	538	538	538	538	538	538	538	538
Enrollment	418	409	400	411	387	380	342	296	316	308

Number of Schools at June 30, 2007
- Elementary - 1
- Middle - 0
- Other - 0

Source: District Records, ASSA

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities,
Last Eight Fiscal Years
(Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2001	2002	2003	2004	2005	2006	2007	2008
Margaret Mace School	N/A	$ 46,061	$ 52,414	$ 56,420	$ 68,025	$ 71,027	$ 63,031	$ 68,931	$ 67,613
Total School Facilities		46,061	52,414	56,420	68,025	71,027	63,031	68,931	67,613
Other Facilities		-	-	-	-	-	-	-	
Grand Total		$ 46,061	$ 52,414	$ 56,420	$ 68,025	$ 71,027	$ 63,031	$ 68,931	$ 67,613

Source: District Records

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
ACCASBO JIF			
School Package Policy (1)			
	Property, Inland Marine and Auto Damage	$ 150,000,000.00	$ 500.00
	Boiler and Machinery	100,000,000.00	1,000.00
	Crime	500,000.00	500.00
	General and Automobile Liability	10,000,000.00	None
	Workers' Compensation	Statutory	None
	Educator's Legal Liability	10,000,000.00	None
	Pollution Legal Liability	3,000,000.00	25,000.00

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited the basic financial statements of the Board of Education of the City of North Wildwood School District, State of New Jersey, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated November 3, 2008. 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 prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of North Wildwood Board of Education's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 3, 2008 as item 08-2 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We consider the significant deficiency described in the separate Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance dated November 3, 2008 to be a material weakness. This finding is reported as item 08-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of North Wildwood Board of Education'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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Board of Education of the City of North Wildwood School District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated November 3, 2008.

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

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

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2008

FORD-SCOTT
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
City of North Wildwood School District
County of Cape May
City of North Wildwood, New Jersey

Compliance

We have audited the compliance of the Board of Education of the City of North Wildwood in the County of Cape May, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that are applicable to each of its major state programs for the year ended June 30, 2008. The City of North Wildwood 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the City of North Wildwood Board of Education's management. Our responsibility is to express an opinion on the City of North Wildwood Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, OMB 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. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 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 state program occurred. An audit includes examining, on a test basis, evidence about the City of North Wildwood 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. Our audit does not provide a legal determination of the City of North Wildwood Board of Education's compliance with those requirements.

In our opinion Board of Education of the City of North Wildwood, in the County of Cape May, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Board of Education of the City of North Wildwood School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the City of North Wildwood Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 City of North Wildwood Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management of the City of North Wildwood Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state 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

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2008

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2008

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2007: Deferred Revenue (Accts Receivable)	Balance at June 30, 2007: Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2008: (Accounts Receivable)	Balance at June 30, 2008: Deferred Revenue	Balance at June 30, 2008: Due to Grantor at 6/30/08	MEMO: Budgetary Receivable	MEMO: Cumulative Total Expenditures
State Department of Education																
General Fund:																
Transportation Aid	08-495-034-5120-014	$ 100,105	07/01/07	06/30/08	$ -	$ -	$ -	$ 96,425.64	$ (100,105.00)	$ -	$ -	$ -	$ -	$ -	$ (3,679.36)	$ 100,105.00
Special Education Aid	08-495-034-5120-011	346,920	07/01/07	06/30/08				334,168.95	(346,920.00)						(12,751.05)	346,920.00
Bilingual Aid	08-495-034-5120-008	8,197	07/01/07	06/30/08				7,895.72	(8,197.00)						(301.28)	8,197.00
Stabilization Aid	08-495-034-5120-030	83,057	07/01/07	06/30/08				80,004.24	(83,057.00)						(3,052.76)	83,057.00
Consolidated Aid	08-495-034-5120-057	38,170	07/01/07	06/30/08				36,767.06	(38,170.00)						(1,402.94)	38,170.00
Additional Formula Aid	08-100-034-5120-058	49,792	07/01/07	06/30/08				47,961.89	(49,792.00)						(1,830.11)	49,792.00
Transportation Aid-Additional Aid-in-Lieu	07-495-034-5120-014	1,740	07/01/06	06/30/07	(1,740.00)			1,740.00								1,740.00
Transportation Aid-Additional Aid-in-Lieu	08-495-034-5120-014	1,192	07/01/07	06/30/08					(1,192.00)			(1,192.00)				1,192.00
Reimbursed TPAF Social Security Contributions	07-495-034-5095-002	221,082	07/01/05	06/30/06	(634.82)			634.82								221,082.26
Reimbursed TPAF Social Security Contributions	08-495-034-5095-002	237,693	07/01/06	06/30/07				226,727.52	(237,693.08)			(10,965.56)				237,693.08
Total General Fund					(2,374.82)	-	-	832,325.84	(865,126.08)	-	-	(12,157.56)	-	-	(23,017.50)	1,087,948.34
Special Revenue Fund:																
Demonstrably Effective Program Aid	07-495-034-5064-002	153,781	07/01/06	06/30/07	21,786.61		(21,786.61)									153,781.00
Demonstrably Effective Program Aid	08-495-034-5064-002	153,781	07/01/07	06/30/08			21,786.61	138,659.05	(164,763.30)				10,804.31		(15,121.95)	142,976.69
Early Childhood Program Aid	07-495-034-5120-025	302,439	07/01/06	06/30/07	16,153.44		(16,153.44)									302,439.00
Early Childhood Program Aid	08-495-034-5120-025	302,439	07/01/07	06/30/08			16,153.44	294,749.95	(310,352.40)				8,240.04		(7,689.05)	294,198.96
Targeted At-Risk Aid	08-495-034-5120-005	65,250	07/01/07	06/30/08				61,987.50	(65,250.00)						(3,262.50)	65,250.00
Distance Learning Network Aid	03-100-034-5120-348	18,051	07/01/02	06/30/03	0.35									0.35		18,050.65
Character Education	06-495-034-5120-053	4,000	07/01/05	06/30/06	2,321.63				(1,544.18)				777.45			3,222.55
Character Education	07-495-034-5120-053	4,000	07/01/06	06/30/07	2,737.09				(1,665.91)				1,071.18			2,928.82
N.J. Nonpublic Aid:																
Nursing	07-100-034-5120-070	23,315	07/01/06	06/30/07		0.16					(0.16)					23,314.84
Nursing	08-100-034-5120-070	24,009	07/01/07	06/30/08				24,009.00	(22,302.84)					1,706.16		22,302.84
Textbook Aid	07-100-034-5120-064	17,524	07/01/06	06/30/07		99.61					(99.61)					17,424.39
Textbook Aid	08-100-034-5120-373	17,382	07/01/07	06/30/08				17,382.00	(17,382.00)							17,382.00
Technology Aid	07-100-034-5120-373	13,961	07/01/06	06/30/07	(1,400.75)			1,400.75								13,960.75
Technology Aid	05-100-034-5120-373	14,600	07/01/04	06/30/05		3.63					(3.63)					14,596.37
Auxiliary Services:	08-100-034-5120-373	12,440	07/01/07	06/30/08				12,440.00	(11,761.63)					678.37		11,761.63
Compensatory Education	06-100-034-5120-067	54,800	07/01/05	06/30/06												54,800.00
Home Instruction	07-100-034-5120-067	913	07/01/06	06/30/07	(912.50)			913.00						0.50		912.00
Handicapped Services:																
Examination & Classification	07-100-034-5120-066	1,605	07/01/06	06/30/07		127.00					(127.00)					1,478.00
Examination & Classification	08-100-034-5120-066	1,750	07/01/07	06/30/08				1,900.00	(150.00)					1,750.00		150.00
Supplemental Instruction	08-100-034-5120-066	826	07/01/07	06/30/08				826.00	(826.00)							826.00
Basic Skills	08-100-034-5120-066	34,837	07/01/07	06/30/08				34,837.00	(18,290.40)					16,546.60		18,290.40
Basic Skills	07-100-034-5120-066	39,078	07/01/06	06/30/07		10,985.12					(10,985.12)					28,092.88
Total Special Revenue Fund					40,685.87	11,215.52	-	589,104.25	(614,288.66)	-	(11,215.52)	-	20,892.98	20,681.98	(26,073.50)	1,208,139.77
New Jersey Economic Development Authority:																
Capital Projects Fund:																
Roof Project	N/A	138,633	Open		(10,086.18)				-	10,086.18						138,633.00
Total Capital Projects Fund					(10,086.18)	-	-	-	-	10,086.18	-	-	-	-	-	138,633.00
State Department of Agriculture:																
Enterprise Fund:																
National School Breakfast Program (State Share)	07-100-010-3360-096	392	07/01/06	06/30/07	(22.10)			22.10								392.00
National School Breakfast Program (State Share)	08-100-010-3360-096	344	07/01/07	06/30/08				319.60	(344.20)			(24.60)				344.20
National School Lunch Program (State Share)	07-100-010-3360-067	2,258	07/01/06	06/30/07	(133.28)			133.28								2,257.84
National School Lunch Program (State Share)	08-100-010-3360-067	2,369	07/01/07	06/30/08				2,240.53	(2,369.16)			(128.63)				2,369.16
National School Lunch Program (State Share)	06-100-010-3360-067	2,115	07/01/05	06/30/06	(0.19)					0.19						2,114.84
Total Enterprise Fund					(155.57)	-	-	2,715.51	(2,713.36)	0.19	-	(153.23)	-	-	-	7,478.04
Total State Financial Assistance					$ 28,069.30	$ 11,215.52	$ -	$ 1,424,145.60	$ (1,482,128.10)	$ 10,086.37	$ (11,215.52)	$ (12,310.79)	$ 20,892.98	$ 20,681.98	$ (49,091.00)	$ 2,442,199.15

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedule 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 $14,622.50 for the general fund and $63.42 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 in the following table:

Note 3: Relationship to Basic Financial Statements (Continued)

	Federal	State	TPAF Pension	Total
General Fund	$	$ 1,285,155.40	$ (444,738.00)	$ 840,417.40
Special Revenue Fund	275,865.49	613,694.00		889,559.49
Food Service Fund	53,314.13	2,713.36		56,027.49
	$ 329,179.62	$ 1,901,562.76	$ (444,738.00)	$ 1,786,004.38

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.

Note 4: Relationship to State Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related 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, 2008. 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, 2008.

Note 6: Adjustments

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year. In addition, local contributions are reflected as adjustments. The following adjustments were a result of final grant payments being rounded by the grantor, prior encumbrances being canceled and grantor cost disallowances from a prior period. The total adjustment was $10,086.37.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2008

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	Yes
2) Significant Deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	N/A
2) Significant Deficiencies identified that are not considered to be material weaknesses?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported In accordance with section .510(a) of Circular A-133?	N/A

Identification of major programs: N/A

Dollar threshold used to distinguish between type A and type B programs:	N/A
Auditee qualified as low-risk auditee?	N/A

I. SUMMARY OF AUDITORS RESULTS (CONTINUED)

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	$300,000
Auditee qualified as low-risk auditee?	No
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant Deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion
Any audit findings disclosed that are required to be reported In accordance with NJ OMB Circular Letter 04-04?	No

Identification of major programs:

GMIS Numbers	Name of State Program
08-495-034-5120-011	Special Education Aid
08-495-034-5120-057	Consolidated Aid
08-495-034-5120-008	Bilingual Aid
08-495-034-5120-030	Stabilization Aid
08-100-034-5120-058	Additional Formula Aid
08-495-034-5120-025	ECPA

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

FINDING:

A substantial number of journal entries were required to bring the final general ledger into balance to enable the accurate preparation of the District's financial statements.

CONDITION:

The District's books were not closed accurately at year end.

CRITERIA:

Statement on Auditing Standards No. 112 requires the auditor to communicate internal control deficiencies that could cause a material misstatement in the District's financial statements.

CAUSE:

During the year there were major changes in business office personnel and an overall restructuring of the business office.

EFFECT:

The District's general ledger at June 30, 2008 was not materially accurate.

RECOMMENDATION:

The District should maintain an accurate general ledger so that the financial statements can be prepared.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Not applicable.

State:

Our audit disclosed no material Findings or Questioned Costs.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2008

STATUS OF PRIOR YEAR FINDINGS

The prior year finding has not been corrected.