

**Comprehensive Annual
Financial Report**

of the

City of Wildwood Board of Education

Cape May County, New Jersey

For the Fiscal Year Ended June 30, 2009

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Introductory Section

WILDWOOD BOARD OF EDUCATION

4300 Pacific Avenue
Wildwood, New Jersey 08260
609-522-0786 609-523-1014 (fax)

October 23, 2009

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

Dear Board Members:

The Comprehensive Annual Financial Report of the City of Wildwood School District for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular and vocational, as well as special education for handicapped youngsters. The District completed the 2008-09 school year with an enrollment of 823 students, which is 45 students above the previous year's enrollment. The table on the following page details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2008-09	823.3	5.7%
2007-08	778.7	6.7%
2006-07	729.9	-8.5%
2005-06	797.3	3.4%
2004-05	770.8	-7.6%
2003-04	834.1	-8.5%
2002-03	911.2	0.4%
2001-02	907.8	-4.6%
2000-01	952.0	1.6%
1999-00	937.0	13.2%

2. ECONOMIC CONDITION AND OUTLOOK:

Despite the City's new Redevelopment Plan and zoning initiatives, the City of Wildwood continues to suffer under the national and regional economic down-turn in residential and commercial development and lack of expansion. The growth of condominium development has nearly ceased and there are many properties for sale which have been on the market for months. The leasing of homes to temporary or transient families has increased, bringing with it a slight increase in the number of children enrolled in the District. Along with this has been an increase of special needs students who require specialized support services, English as a Second Language, and other technical assistance programs which tax the finances of the District.

The district continues to cope with overcrowding in both the Pre-K–5 and special education divisions resulting in additional costs for leasing classrooms and out-of-district placements. The new requirement for the implementation of a three-year-old program in the next few years will increase this pressure on the district.

3. MAJOR INITIATIVES:

The District continues to focus on curricular revision and teacher training as a means of improving student performance. The District has developed strategic plans in all areas identified as in need of improvement, and continues to revise these as needed. Understanding that it may take several years to fully implement these methods and for the student scores to reflect these changes, the District continues to support these initiatives and follow through on them.

During the past year the District also continued to focus on infrastructure issues. Improvements included the refurbishing of the high school bathrooms on the second and third floors, installation of a new playground surface at the elementary school, a new sound system for the auditorium and gymnasium, a remodeled home economics room, and other related improvements.

Funding sources will be investigated to assist the district in its renovation and improvement of existing buildings.

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 generally accepted accounting principles (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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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 at June 30, 2009.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2009 and the amount and percentage of increases (decreases) in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2008</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 11,493,039.96	55.79%	\$ (85,075.71)	-0.74%
State Sources	7,323,089.86	35.55%	(528,613.27)	-7.28%
Federal Sources	<u>1,784,194.82</u>	<u>8.66%</u>	<u>240,916.6013</u>	<u>.40%</u>
	<u>\$ 20,600,324.64</u>	<u>100.00%</u>	<u>\$ (372,772.38)</u>	<u>-1.82%</u>

Local taxes decreased by \$3,421.00; tuition revenue decreased by \$116,109.15 and miscellaneous revenues increased by \$34,455.44.

State sources decreased by \$528,613.27 due to a decrease in On-Behalf TPAF pension contributions.

Federal grant awards increased by \$240,916.60 during the year.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2009.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2008</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 9,556,615.91	47.63%	\$ 82,719.67	0.95%
Undistributed Expenditures	10,420,655.25	51.93%	(893,078.30)	-7.54%
Charter Schools	-	0.00%	0.00	0.00%
Capital Outlay	2,500.00	0.01%	(17,594.36)	-113.51%
Debt Service	86,037.50	0.43%	(4,619.17)	-5.45%
	<u>\$ 20,065,808.66</u>	<u>100.00%</u>	<u>\$ (832,572.16)</u>	<u>-4.03%</u>

8. DEBT ADMINISTRATION:

At June 30, 2009, there were no serial bonds outstanding. Capital leases payable amounted to \$45,000.00 at June 30, 2009.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board of Education. 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's Circular 04-04. The auditor's report on the general-purpose 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:

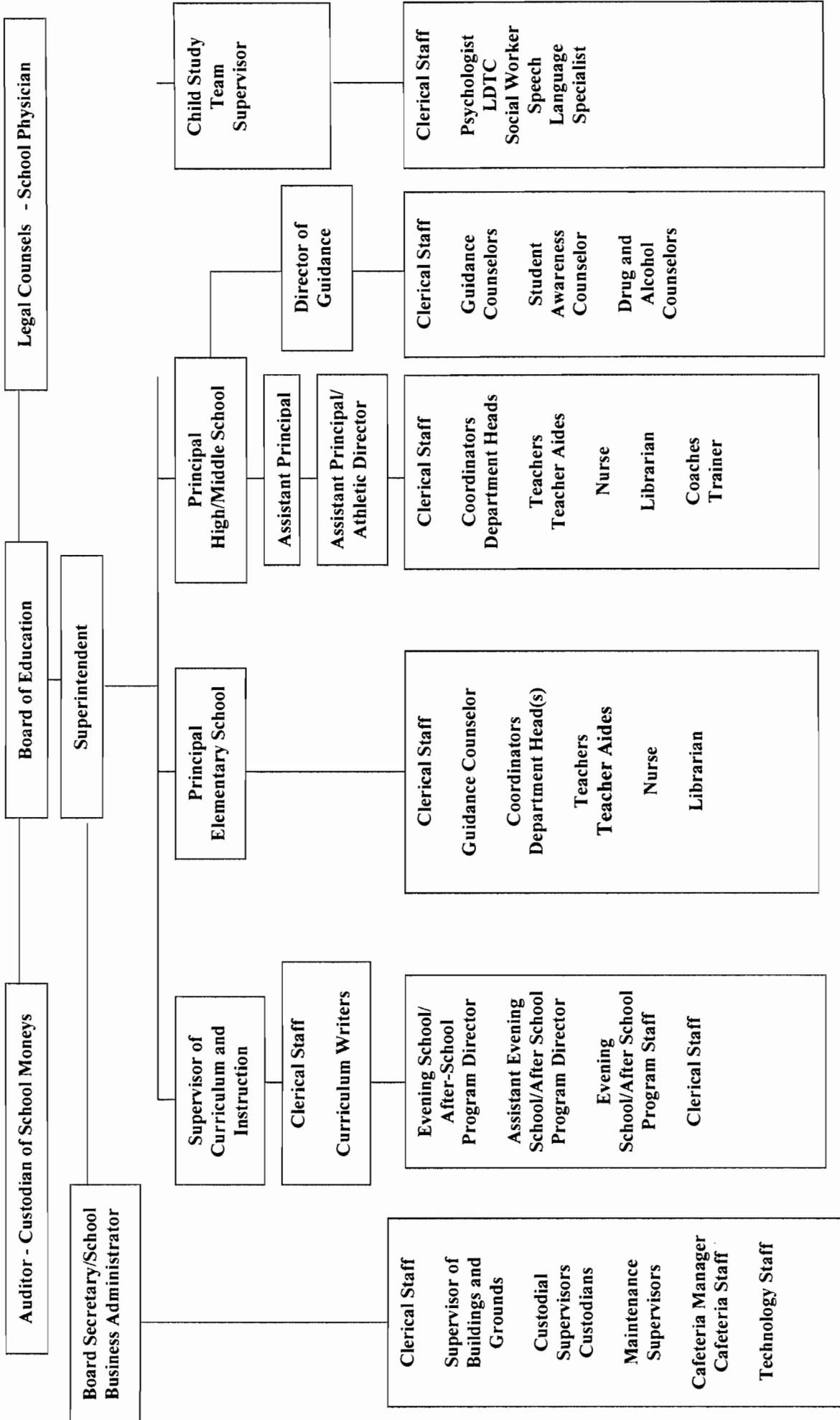
We would like to express our appreciation to the members of the City of Wildwood School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Dennis J. Anderson
Superintendent of Schools

Gregory S. Rohrman
Board Secretary/Business Administrator

**WILDWOOD PUBLIC SCHOOLS
ADMINISTRATIVE ORGANIZATIONAL CHART
2008-2009**



Order of assumption of Superintendent's duties in his/her absence - 1.

**CITY OF WILDWOOD BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2009**

Members of the Board of Education

Term Expires

R. Todd Kieninger, President	2012
Ernest Troiano, III, Vice President	2012
Christopher Chobert	2011
Jacquelyn Wade	2011
Trevor Sawyer	2011
Lynn Quinlan	2010
Carol Bannon	2012
Theresa DiFalco	2010
David MacDonald (North Wildwood)	2010
Will Morey (Wildwood Crest)	2010

Other Officials

Dennis J. Anderson, Superintendent of Schools

Gregory S. Rohrman, Board Secretary/School Business Administrator

Jeanette J. Powers, Treasurer of School Funds

Andrew J. Cafiero, Esq., Solicitor

**CITY OF WILDWOOD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

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

ATTORNEY

Andrew J. Cafiero, Esq.
P.O. Box 789
Wildwood , NJ 08260

INSURANCE CONSULTANT

Joseph Meola
Byrne Agency
5200 New Jersey Avenue
Wildwood, NJ 08260

COMPUTER CONSULTANT

Systems 3000
615 Hope Road
Eatonton, NJ 07724

Rediker Software, Inc.
2 Wilbraham Road
Hampden, Ma. 01036

OFFICIAL DEPOSITORY

Crest Savings Bank
113 E. Wildwood Avenue
Wildwood, NJ 08260

Wachovia Bank, N.A.
100 Fidelity Plaza
North Brunswick, NJ 08905

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 Wildwood School District
County of Cape May, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the City of Wildwood School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2009, 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 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; 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, and each major fund of the City of Wildwood Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2009, 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 October 23, 2009 on our consideration of the City of Wildwood Board of Education's internal control over financial reporting and 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 with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considering is assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the 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 Wildwood Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and 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 and statistical sections 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 federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* 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, are 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**



**Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853**

October 23, 2009

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

The discussion and analysis of City of Wildwood School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. 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 2009 are as follows:

- In total, net assets increased \$662,127.59, which represents a 10 percent increase from 2008.
- General revenues accounted for \$16,501,522.67 in revenue or 77 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,986,509.97 or 23 percent of total revenues of \$21,488,032.64.
- Total assets of governmental activities increased by \$48,863.22 as cash and cash equivalents decreased by \$32,663.44, receivables increased by \$289,459.65 and capital assets decreased by \$87,544.46.
- The School District had \$20,825,146.55 in expenses; only \$4,986,509.97 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16,501,522.67 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$18,067,176.94 in revenues and \$17,512,561.62 in expenditures. The General Fund's fund balance increased \$512,734.64 over 2008.

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 City of 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 City of Wildwood School District, the General Fund is by far the most significant fund.

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

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 ask the question, "How did we do financially during 2009?" 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 have 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.

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

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

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 31 to 51 of this report.

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 2009 and 2008.

**Table 1
Net Assets**

	2009	2008
Assets		
Current and Other Assets	\$ 2,631,430.41	\$ 2,422,583.07
Capital Assets	5,324,585.64	5,416,227.27
Total Assets	7,956,016.05	7,838,810.34
Liabilities		
Long-Term Liabilities	140,747.50	359,341.44
Other Liabilities	729,994.97	1,056,322.91
Total Liabilities	870,742.47	1,415,664.35
Net Assets		
Invested in Capital Assets, Net of Debt	5,279,585.64	5,291,227.27
Restricted	1,813,972.98	1,108,693.38
Unrestricted	(8,285.04)	23,225.34
Total Net Assets	\$ 7,085,273.58	\$ 6,423,145.99

The District's combined net assets were \$7,085,273.58 on June 30, 2009. This is an increase of 10 percent from the prior year.

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2009 and 2008.

**Table 2
Changes in Net Assets**

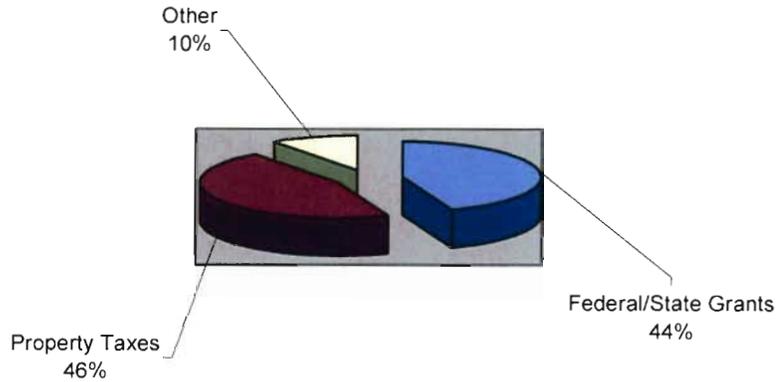
	2009	2008
Revenues		
Program Revenues:		
Charges for Services	\$ 292,331.77	\$ 316,631.10
Operating Grants and Contributions	4,694,178.20	6,324,129.53
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	9,403,242.00	9,406,663.00
Grants and Entitlements	5,008,246.45	3,689,204.24
Other	2,090,034.22	2,171,696.62
Total Revenues	21,488,032.64	21,908,324.49
Program Expenses		
Instruction	12,008,159.20	12,144,852.14
Support Services:		
Tuition	1,306,645.39	1,255,429.08
Student and Instruction Related Services	2,453,771.10	3,119,775.88
General Administration, School Administration, Business Operations and Maintenance of Facilities	3,286,135.60	2,954,822.09
Pupil Transportation	588,111.25	570,140.56
Interest on Debt	4,111.77	8,941.20
Food Service	934,952.28	939,346.98
Other	244,008.46	231,684.52
Total Expenses	20,825,895.05	21,224,992.45
Increase (Decrease) in Net Assets	\$ 662,137.59	\$ 683,332.04

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

Governmental Activities

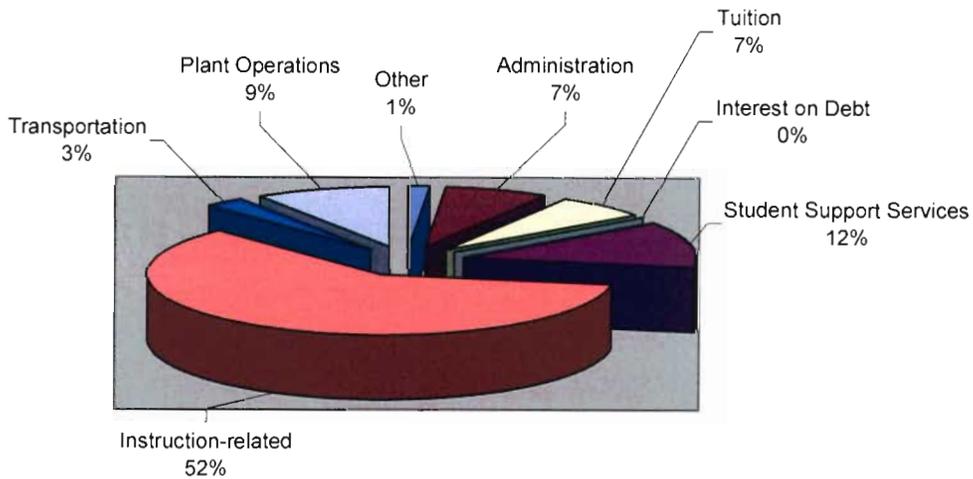
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Federal and state grants/aid made up 44 percent of revenues for governmental activities for the City of Wildwood School District for fiscal year 2009. The District's total revenues were \$20,600,324.64 for the year ended June 30, 2009. Property taxes accounted for another 46 percent of revenue.

Sources of Revenue for Fiscal Year 2009



The total cost of all program and services was \$19,932,823.45. Instruction comprises 52 percent of District expenses.

Cost of Programs and Services for Fiscal Year 2009



**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

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 \$47,480.52.
- Charges for services represent \$292,331.77 of revenue. This represents amounts paid by patrons for daily food service and special functions.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$595,139.99.

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
Costs of Services**

	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>
Instruction	\$ 12,008,159.20	\$ 8,699,444.93	\$ 12,144,852.14	\$ 7,942,621.03
Support Services:				
Tuition	1,306,645.39	1,306,645.39	1,255,429.08	1,252,837.08
Pupils and Instructional Staff	2,453,771.10	1,951,282.70	3,119,775.88	2,012,988.73
General Administration, School Administration and Business Operations	1,418,804.60	1,306,880.49	1,348,422.18	1,198,212.46
Operation and Maintenance of Facilities	1,867,331.00	1,783,040.29	1,606,399.91	1,485,573.43
Pupil Transportation	588,111.25	499,137.49	570,140.56	449,798.35
Interest and Fiscal Charges	4,111.77	1,464.81	8,941.20	6,152.76
Other	285,889.14	285,889.14	287,401.04	287,401.04
Total Expenses	<u>\$ 19,932,823.45</u>	<u>\$ 15,833,785.24</u>	<u>\$ 20,341,361.99</u>	<u>\$ 14,635,584.88</u>

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

Tuition, 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 and the payment of tuition to other school districts.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

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 and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,600,324.64 and expenditures were \$20,065,808.66. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$534,515.98.

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, 2009, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) 2008</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 11,493,039.96	55.79%	\$ (85,075.71)	-0.74%
State Sources	7,323,089.86	35.55%	(528,613.27)	-7.28%
Federal Sources	1,784,194.82	8.66%	240,916.60	13.40%
	<u>\$ 20,600,324.64</u>	<u>100.00%</u>	<u>\$ (372,772.38)</u>	<u>-1.82%</u>

Local taxes decreased by \$3,421.00; tuition revenue decreased by \$116,109.15 and miscellaneous revenues increased by \$34,455.44.

State sources decreased by \$528,613.27 due to a decrease in On-Behalf TPAF pension contributions.

Federal grant awards increased by \$240,916.60 during the year.

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2009.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2008</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 9,556,615.91	47.63%	\$ 82,719.67	0.95%
Undistributed Expenditures	10,420,655.25	51.93%	(893,078.30)	-7.54%
Charter Schools	-	0.00%	0.00	0.00%
Capital Outlay	2,500.00	0.01%	(17,594.36)	-113.51%
Debt Service	86,037.50	0.43%	(4,619.17)	-5.45%
	<u>\$ 20,065,808.66</u>	<u>100.00%</u>	<u>\$ (832,572.16)</u>	<u>-4.03%</u>

Changes in expenditures were the results of varying factors. Current expense increased due to increased health benefits and utility costs.

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 prevent over-expenditures in specific line item accounts. Some of these revisions bear notation:

- The District transferred \$286,390 into operations and maintenance of school facilities in order to complete required maintenance projects.
- The District expended \$219,376 less than the amount budgeted for unallocated benefits. Transfers were made from these accounts to other accounts nearing overexpenditures.
- TPAF, which is the state's contribution to the pension fund, is neither revenue nor an expenditure item of the district but is required to be reflected in the financial statements.

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2009, the School District had \$5,324,585.64 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2009 balances compared to 2008.

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

	2009		2008
Land	\$ 205,000.00	\$	205,000.00
Construction in Progress	-		269,000.00
Land Improvements	30,400.00		-
Buildings and Improvements	4,841,867.51		4,649,036.37
Machinery and Equipment	247,318.13		293,190.90
Total	\$ 5,324,585.64	\$	5,416,227.27

Overall capital assets decreased \$91,641.63 from fiscal year 2008 to fiscal year 2009.

Debt Administration

At June 30, 2009, the School District had \$140,747.50 of outstanding debt. Of this amount, \$95,747.50 is for compensated absences; and \$45,000.00 for capital leases.

**Table 5
Outstanding Debt at June 30**

	2009		2008
Compensated Absences	\$ 95,747.50	\$	234,341.44
Capital Leases	45,000.00		125,000.00
Total	\$ 140,747.50	\$	359,341.44

**CITY OF WILDWOOD SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

For the Future

The Wildwood School District is presently in adequate financial condition. The School District is proud that community support of the school has continued to grow. However, future finances are not without challenges as the community continues to grow and change in the midst of a general down-turn in the state's economy and the nation's real estate market, which has traditionally been a large part of the city's economic health. As the slow-down in new building and new businesses continues in the City of Wildwood, student population and funding could be affected.

In conclusion, the Wildwood School District has committed itself to serving the needs of all of its students and recognizes that financial excellence is necessary to fulfill that promise. In addition, the School District's system for financial planning, budgeting, and internal financial controls continues to be reviewed, assessed, and strengthened in order to meet the many challenges of the present and 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 the Business Administration/Board Secretary at the City of Wildwood Board of Education, 4300 Pacific Avenue, Wildwood, New Jersey 08260.

BASIC FINANCIAL STATEMENTS

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.

CITY OF WILDWOOD SCHOOL DISTRICT
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,181,335.50	\$ 31,742.90	\$ 2,213,078.40
Receivables, Net	393,334.25	59,036.76	452,371.01
Internal Balances	(147,575.60)	147,575.60	-
Restricted Assets:			
Cash Reserve Account	8.00		8.00
Capital Assets, Net (Note 6)	5,298,903.08	25,682.56	5,324,585.64
Total Assets	<u>7,726,005.23</u>	<u>264,037.82</u>	<u>7,990,043.05</u>
LIABILITIES			
Accounts Payable	146,993.24	137,086.93	284,080.17
Payable to Federal Government	47,471.16		47,471.16
Payable to State Government	7,732.80		7,732.80
Payable to Other Government	46,649.91		46,649.91
Deferred Revenue	378,087.93		378,087.93
Noncurrent Liabilities (Note 7)			
Due Within One Year	45,000.00		45,000.00
Due Beyond One Year	95,747.50		95,747.50
Total Liabilities	<u>767,682.54</u>	<u>137,086.93</u>	<u>904,769.47</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	5,253,903.08	25,682.56	5,279,585.64
Restricted for:			
Debt Service	(753.44)		(753.44)
Capital Projects	8.00		8.00
Other Purposes	1,814,718.42		1,814,718.42
Unrestricted (Deficit)	(109,553.37)	101,268.33	(8,285.04)
Total Net Assets	<u>\$ 6,958,322.69</u>	<u>\$ 126,950.89</u>	<u>\$ 7,085,273.58</u>

CITY OF WILDWOOD SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2009

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,797,550.80	\$ -	\$ 2,681,006.96	\$ -	\$ (6,116,543.84)	\$ -	\$ (6,116,543.84)
Special Education	2,150,394.63		539,972.93		(1,610,421.70)		(1,610,421.70)
Other Instruction	1,060,213.77		87,734.38		(972,479.39)		(972,479.39)
Support Services:							
Tuition	1,306,645.39		-		(1,306,645.39)		(1,306,645.39)
Student & Instruction Related Services	2,453,771.10		502,488.40		(1,951,282.70)		(1,951,282.70)
School Administrative Services	748,529.87		65,339.70		(683,190.17)		(683,190.17)
Plant Operation and Maintenance	1,867,331.00		84,290.71		(1,783,040.29)		(1,783,040.29)
Pupil Transportation	588,111.25		88,973.76		(499,137.49)		(499,137.49)
General and Business Services	670,274.73		46,584.41		(623,690.32)		(623,690.32)
Interest on Long-Term Debt	4,111.77		2,646.96		(1,464.81)		(1,464.81)
Unallocated Depreciation	243,259.96		-		(243,259.96)		(243,259.96)
Total Governmental Activities	19,890,194.27	-	4,099,038.21	-	(15,791,156.06)	-	(15,791,156.06)
Business-Type Activities:							
Food Service	934,952.28	292,331.77	595,139.99		(47,480.52)		(47,480.52)
Total Business-Type Activities	934,952.28	292,331.77	595,139.99	-	(47,480.52)	(47,480.52)	(47,480.52)
Total Primary Government	\$ 20,825,146.55	\$ 292,331.77	\$ 4,694,178.20	\$ -	\$ (15,791,156.06)	\$ (47,480.52)	\$ (15,838,636.58)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes, Net	\$ 9,339,262.00	\$ -	\$ 9,339,262.00
Taxes Levied for Debt Service	63,980.00	-	63,980.00
Federal and State Aid not Restricted	5,008,246.45	-	5,008,246.45
Tuition Received	1,926,207.35	-	1,926,207.35
Investment Earnings	22,794.06	236.24	23,030.30
Miscellaneous Income	140,796.57	-	140,796.57
Transfers	(41,880.68)	41,880.68	-
Special Item - Loss on Disposal of Fixed Assets	(748.50)	-	(748.50)
Total General Revenues, Special Items, Extraordinary Items and Transfers	16,458,657.25	42,116.92	16,500,774.17
Change in Net Assets	667,501.19	(5,363.60)	662,137.59
Net Assets - Beginning	6,290,821.50	132,314.49	6,423,135.99
Net Assets - Ending	\$ 6,958,322.69	\$ 126,950.89	\$ 7,085,273.58

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

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 WILDWOOD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,181,334.25	\$ -	\$ 1.25	\$ -	\$ 2,181,335.50
Receivables from Other Governments	-	393,334.25			393,334.25
Interfunds Receivable	12,954.02				12,954.02
Restricted Cash & Cash Equivalents	8.00				8.00
Total Assets	\$ 2,194,296.27	\$ 393,334.25	\$ 1.25	\$ -	\$ 2,587,631.77
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 65,674.10	\$ 80,564.45	\$ -	\$ -	\$ 146,238.55
Payable to Federal Government		47,471.16			47,471.16
Payable to State Government		7,732.80			7,732.80
Payable to Other Governments	46,595.25	54.66			46,649.91
Interfunds Payable	147,575.60	12,954.02			160,529.62
Deferred Revenue	96,919.87	281,168.06			378,087.93
Total Liabilities	356,764.82	429,945.15	-	-	786,709.97
Fund Balances:					
Reserved for:					
Encumbrances	294,713.72				294,713.72
Capital Reserve Account	8.00				8.00
Emergency Reserve	250,000.00				250,000.00
Maintenance Reserve	636,375.00				636,375.00
Excess Surplus	633,629.70				633,629.70
Unreserved, Reported in:					
General Fund	22,805.03				22,805.03
Special Revenue Fund		(36,610.90)			(36,610.90)
Debt Service Fund			1.25		1.25
Permanent Fund					-
Total Fund Balances	1,837,531.45	(36,610.90)	1.25	-	1,800,921.80
Total Liabilities and Fund Balances	\$ 2,194,296.27	\$ 393,334.25	\$ 1.25	\$ -	

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 \$9,239,169.50 and the accumulated depreciation is \$3,940,266.42.

5,298,903.08

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(754.69)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7)

(140,747.50)

\$ 6,958,322.69

CITY OF WILDWOOD SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2009

	General Fund	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 9,339,262.00	\$ -	\$ 63,980.00	\$ -	\$ 9,403,242.00
Tuition Charges	1,926,207.35				1,926,207.35
Interest Earned on Capital Reserve	-				-
Miscellaneous	163,590.61	-	-		163,590.61
Total Local Sources	11,429,059.96	-	63,980.00	-	11,493,039.96
State Sources	6,638,116.98	662,914.88	22,058.00		7,323,089.86
Federal Sources		1,784,194.82			1,784,194.82
Total Revenues	18,067,176.94	2,447,109.70	86,038.00	-	20,600,324.64
EXPENDITURES					
Current:					
Regular Instruction	5,064,818.10	2,098,993.16	-	-	7,163,811.26
Special Education Instruction	1,574,137.34				1,574,137.34
Other Instructional Programs	818,667.31				818,667.31
Support Services:					
Tuition	1,306,645.39				1,306,645.39
Student & Instruction Related Serv.	1,606,616.90	323,835.70			1,930,452.60
School Administrative Services	557,133.51				557,133.51
Other Administrative Services	533,817.33				533,817.33
Plant Operation and Maintenance	1,774,386.39				1,774,386.39
Pupil Transportation	588,111.25				588,111.25
Employee Benefits	3,688,228.10				3,688,228.10
Debt Service:					
Principal			80,000.00		80,000.00
Interest and Other Charges			6,037.50		6,037.50
Capital Outlay	-	2,500.00			2,500.00
Total Expenditures	17,512,561.62	2,425,328.86	86,037.50	-	20,023,927.98
Excess (Deficiency) of Revenues Over Expenditures	554,615.32	21,780.84	0.50	-	576,396.66
OTHER FINANCING SOURCES (USES)					
Transfer in			-		-
Transfer out	(41,880.68)				(41,880.68)
Total Other Financing Sources and Uses	(41,880.68)	-	-	-	(41,880.68)
Net Changes in Fund Balance	512,734.64	21,780.84	0.50	-	534,515.98
Fund Balance - July 1	1,324,796.81	(58,391.74)	0.75	-	1,266,405.82
Fund Balance - June 30	\$ 1,837,531.45	\$ (36,610.90)	\$ 1.25	\$ -	\$ 1,800,921.80

CITY OF 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, 2009

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 534,515.98

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, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount depreciation exceeded capital outlays for the period.

	Depreciation expense	\$ (243,259.96)	
	Capital Outlays	<u>156,464.00</u>	
			(86,795.96)

In the statement of activities, only the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale (if any) increases financial resources. Thus, the change in net assets differs from the change in fund balance by book value of the assets disposed. (748.50)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities

Capital leases payable 80,000.00

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 (+). 138,603.94

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. 1,925.73

Change in Net Assets of Governmental Activities \$ 667,501.19

CITY OF WILDWOOD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2009

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Programs	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 31,742.90	\$ -	\$ 31,742.90
Accounts Receivable:			-
Other	16,164.11		16,164.11
Federal	41,275.83		41,275.83
State	1,596.82		1,596.82
Interfunds	147,575.60		147,575.60
Total Current Assets	<u>238,355.26</u>	<u>-</u>	<u>238,355.26</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	123,336.27		123,336.27
Less: Accumulated Depreciation	(97,653.71)		(97,653.71)
Total Noncurrent Assets	<u>25,682.56</u>	<u>-</u>	<u>25,682.56</u>
Total Assets	<u>\$ 264,037.82</u>	<u>\$ -</u>	<u>\$ 264,037.82</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 137,086.93	\$ -	\$ 137,086.93
Total Current Liabilities	<u>137,086.93</u>	<u>-</u>	<u>137,086.93</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	25,682.56		25,682.56
Unrestricted (Deficit)	101,268.33		101,268.33
Total Net Assets	<u>\$ 126,950.89</u>	<u>\$ -</u>	<u>\$ 126,950.89</u>

CITY OF WILDWOOD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund		
	Food Service	Other Programs	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - All programs	\$ 292,331.77	\$ -	\$ 292,331.77
Total Operating Revenue	<u>292,331.77</u>	<u>-</u>	<u>292,331.77</u>
Operating Expenses:			
Cost of Sales	403,853.16		403,853.16
Salaries	242,092.30		242,092.30
Employee Benefits	101,705.59		101,705.59
Materials and Supplies	39,051.07		39,051.07
Other Direct Costs	58,571.45		58,571.45
Purchased Services	85,581.54		85,581.54
Depreciation	4,097.17		4,097.17
Total Operating Expenses	<u>934,952.28</u>	<u>-</u>	<u>934,952.28</u>
Operating Income (Loss)	(642,620.51)		(642,620.51)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	11,161.72		11,161.72
State Breakfast Program	13,460.00		13,460.00
Federal Sources:			
National School Lunch Program	272,560.66		272,560.66
School Breakfast Program	186,550.96		186,550.96
After School Snacks	78,926.44		78,926.44
Food Distribution Program	32,480.21		32,480.21
Interest and Investment Income	236.24		236.24
Total Nonoperating Revenues (Expenses)	<u>595,376.23</u>	<u>-</u>	<u>595,376.23</u>
Income (Loss) before Contributions & Transfers	(47,244.28)		(47,244.28)
Transfers In (Out)	41,880.68		41,880.68
Changes in Net Assets	(5,363.60)		(5,363.60)
Total Net Assets - Beginning	132,314.49	-	132,314.49
Total Net Assets - Ending	<u>\$ 126,950.89</u>	<u>\$ -</u>	<u>\$ 126,950.89</u>

CITY OF WILDWOOD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund		Totals Enterprise
	Food Service	Other Programs	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 282,184.31	\$ -	\$ 282,184.31
Payments to Food Service Management Company	(857,149.02)		(857,149.02)
Net Cash Provided by (Used for) Operating Activities	<u>(574,964.71)</u>	<u>-</u>	<u>(574,964.71)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	20,427.32		20,427.32
Federal Sources	482,869.63		482,869.63
Operating Subsidies and Transfers to Other Funds	41,880.68		41,880.68
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>545,177.63</u>	<u>-</u>	<u>545,177.63</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Fixed Assets	-		-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	236.24		236.24
Proceeds from Sale/Maturities of Investments			-
Net Cash Provided by (Used for) Investing Activities	<u>236.24</u>	<u>-</u>	<u>236.24</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(29,550.84)	-	(29,550.84)
Balance - Beginning of Year	61,293.74	-	61,293.74
Balance - End of Year	<u>\$ 31,742.90</u>	<u>\$ -</u>	<u>\$ 31,742.90</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (642,620.51)	\$ -	\$ (642,620.51)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	4,097.17		4,097.17
(Increase) Decrease in Accounts Receivable	(10,147.46)		(10,147.46)
Increase (Decrease) in Accounts Payable	73,706.09		73,706.09
Total Adjustments	<u>67,655.80</u>	<u>-</u>	<u>67,655.80</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (574,964.71)</u>	<u>\$ -</u>	<u>\$ (574,964.71)</u>

CITY OF WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2009

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 66,922.49	\$ 136,417.66	\$ 57,596.38
Receivables from Other Governments	-		-
Receivables, net			
	<u>\$ 66,922.49</u>	<u>\$ 136,417.66</u>	<u>\$ 57,596.38</u>
Total Assets	<u>\$ 66,922.49</u>	<u>\$ 136,417.66</u>	<u>\$ 57,596.38</u>
LIABILITIES			
Accounts Payable	\$ 17,597.23	\$ -	\$ 1,951.87
Due to Student Groups			55,560.22
Payroll Deductions Payable			84.29
	<u>17,597.23</u>	<u>-</u>	<u>\$ 57,596.38</u>
Total Liabilities	<u>17,597.23</u>	<u>-</u>	<u>\$ 57,596.38</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 49,325.26</u>		
Reserved for Scholarships		<u>\$ 136,417.66</u>	

CITY OF WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 27,310.73	\$ -
Other	-	30,559.56
Total Contributions	<u>27,310.73</u>	<u>30,559.56</u>
Investment Earnings:		
Net Increase (Decrease) in Fair Value		
Interest	422.25	320.58
Dividends		
Less: Investment Expense		
Net Investment Earnings	<u>422.25</u>	<u>320.58</u>
Total Additions	<u>27,732.98</u>	<u>30,880.14</u>
DEDUCTIONS		
Quarterly Contribution Reports	11,579.09	
Unemployment Claims	55,857.46	
Scholarships Awarded		14,000.00
Other	-	1,600.00
Total Deductions	<u>67,436.55</u>	<u>15,600.00</u>
Changes in Net Assets	(39,703.57)	15,280.14
Net Assets - Beginning of the Year	89,028.83	121,137.52
Net Assets - End of the Year	<u>\$ 49,325.26</u>	<u>\$ 136,417.66</u>

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of City of 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-12. The District operates an elementary, middle school and high school located in City of 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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Basis of Presentation - Continued

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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Basis of Presentation - Continued

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 Insurance Trust and the Scholarship Funds.

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 various Scholarship Funds 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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

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 - Continued

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 if 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/transfer 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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control - Continued

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

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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Cash, Cash Equivalents and Investments - Continued

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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 expenditure/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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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. 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.

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unity Deposit Protection Act. Of the School District's bank Balance of \$2,816,307.32 as of June 30, 2009, \$342,284.39 was uninsured and uncollateralized.

Investments

The District had no investments in fiscal year ending June 30, 2009.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2009, consisted of accounts (tuition), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
Property Taxes	\$	\$
State Aid		1,596.82
Federal Aid	393,334.25	434,610.08
Other	<u>12,954.02</u>	<u>16,164.11</u>
Gross Receivables	406,288.27	452,371.01
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 406,288.27</u>	<u>\$ 452,371.01</u>

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

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; and (2) repay expenses paid by another fund;

The following interfund balances remained on the fund financial statements at June 30, 2009:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 12,954.02	\$ 147,575.60
Special Revenue Fund		12,954.02
Food Service Fund	<u>147,575.60</u>	
Total	<u>\$ 160,529.62</u>	<u>\$ 160,529.62</u>

NOTE 5 – INVENTORY

There was no inventory in the Food Service Enterprise Fund at June 30, 2009

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 205,000.00			\$ 205,000.00
Construction in Progress	269,000.00	(269,000.00)		-
Total capital assets not being depreciated	<u>474,000.00</u>	<u>(269,000.00)</u>	<u>-</u>	<u>205,000.00</u>
Capital assets being depreciated:				
Land Improvements	44,050.67	32,000.00		76,050.67
Buildings and building improvements	8,035,029.00	377,464.00		8,412,493.00
Machinery and Equipment	585,615.27	16,000.00	55,989.44	545,625.83
Total capital assets being depreciated at historical cost	<u>8,664,694.94</u>	<u>425,464.00</u>	<u>55,989.44</u>	<u>9,034,169.50</u>
Less accumulated depreciation for:				
Land Improvements	(44,050.67)	(1,600.00)		(45,650.67)
Buildings and improvements	(3,385,992.63)	(184,632.86)		(3,570,625.49)
Equipment	(322,204.10)	(57,027.10)	(55,240.94)	(323,990.26)
Total capital assets being depreciated, net of accumulated depreciation	<u>4,912,447.54</u>	<u>182,204.04</u>	<u>748.50</u>	<u>5,093,903.08</u>
Governmental activity capital assets, net	<u>\$ 5,386,447.54</u>	<u>\$ (86,795.96)</u>	<u>\$ 748.50</u>	<u>\$ 5,298,903.08</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 123,878.65		\$ 542.38	\$ 123,336.27
Less accumulated depreciation	(94,098.92)	(4,097.17)	(542.38)	(97,653.71)
Enterprise Fund capital assets, net	<u>\$ 29,779.73</u>	<u>\$ (4,097.17)</u>	<u>\$ -</u>	<u>\$ 25,682.56</u>

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2009 are as follows:

	<u>Balance June 30, 2008</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 234,351.44	\$	\$ 138,603.94	\$ 95,747.50	\$
Capital Leases	<u>125,000.00</u>	<u></u>	<u>80,000.00</u>	<u>45,000.00</u>	<u>45,000.00</u>
	<u>\$ 827,017.44</u>	<u>\$ -</u>	<u>\$ 218,603.94</u>	<u>\$ 140,747.50</u>	<u>\$ 45,000.00</u>

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

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, 2009, there were no school bonds payable.

Capital Leases

The District is leasing a new heating and air conditioning system totaling \$625,000 under a capital lease. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2009:

<u>Fiscal Year Ending June 30,</u>	<u>Payments</u>
2010	\$ 46,293.75
Total minimum lease payments	<u>46,293.75</u>
Less amount representing interest	<u>1,293.75</u>
Present value of lease payments	<u>\$ 45,000.00</u>

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 8 – OPERATING LEASES

The District has commitments to lease copying equipment under operating leases that expire in 2010. Total operating lease payments made during the year ended June 30, 2009 were \$52,622.68. Future minimum lease payments are as follows:

Year Ending June 30,	Principal
2010	\$ 43,913.40
Total future minimum lease payments	\$ 43,913.40

NOTE 9 – 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.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 9 – PENSION PLANS - Continued

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2009.

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. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The 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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 9 – PENSION PLANS - Continued

Three Year Trend Information for PERS				
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
6/30/2009	\$ 122,723.00	100%	\$	-
6/30/2008	97,082.00	80%		-
6/30/2007	48,601.20	60%		-

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	
06/30/09	\$ 573,973.00	100%	\$	-
06/30/08	1,161,756.00	100%		-
06/30/07	1,108,567.00	100%		-

During the fiscal year ended June 30, 2009, the State of New Jersey contributed \$573,973.00 to the TPAF for 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 \$637,812.82 during the year ended June 30, 2009 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 10 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pension and Benefits 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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 10 – POST-RETIREMENT BENEFITS - Continued

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. P.L. 2007, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2008, there were 80,181 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.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 c. 126 which provides free health benefits for members PERS and the Alternative Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.1 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2008.

NOTE 11 – COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years as long as it does not violate Title 18A. Upon retirement employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

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, 2009, no liability existed for compensated absences in the Food Service Enterprise Fund.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 12 – 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 the entities listed below, 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. The plan administrators are as follows:

- VALIC (variable Annuity Life insurance Co.)
- Lincoln Investment Planning Inc.
- Thomas Seely Agency, Inc.
- Equitable (Equi-Vest)
- Smith Barney
- Siracusa Benefits Program

NOTE 13 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by City of Wildwood Board of Education by the inclusion of \$1.00 on October 10, 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 the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve for the July 1, 2008 to June 30, 2009 fiscal year is as follows:

Beginning Balance, July 1, 2008	\$	8.00
Interest Earnings		-
Ending Balance, June 30, 2009	\$	8.00

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.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 14 – RISK MANAGEMENT - Continued

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 District purchases commercial insurance which includes the following coverages: Property – Blanket Building and Contents; Comprehensive; Employee Benefits liability coverage; Business Auto; Excess Liability; Excess Liability; Workers compensation; Boiler and Machinery; Student Accident and legal liability. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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 – LITIGATION

The Board of Education is a defendant in legal proceedings that are in various stages of litigation. The New Jersey School Board Association Insurance Group is handling the litigation and it is believed that the outcome, or exposure to the Board, from such litigation for any potential losses are covered by insurance.

NOTE 17 – FUND BALANCE APPROPRIATED

General Fund - Of the \$1,837,531.45 General Fund balance at June 30, 2009, \$294,713.72 is reserved for encumbrances; \$633,629.70 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$288,979.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010); \$8.00 has been reserved in the Capital Reserve Account; \$250,000.00 has been reserved in the Emergency Reserve Account; \$636,375.00 has been reserved in the Maintenance Reserve Account; \$119,122.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2010 and (\$96,316.97) is unreserved and undesignated.

Debt Service Fund – The Debt Service Fund balance at June 30, 2009 is \$1.25.

NOTE 18 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004,c73 (S1701), 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 as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2009 is \$344,650.70.

**CITY OF WILDWOOD SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 19 – DEFICIT FUND BALANCES

The District has a deficit fund balance of \$36,610.90 in the Special Revenue Fund as of June 30, 2009 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. 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 \$36,610.90 is equal to the last state aid payment for that fund.

NOTE 20 – NET ASSET DEFICITS

The Statement of Net Assets (as listed in the table of contents) reports total Net Assets in the amount of \$6,958,322.69, but two of its sub categories contain deficits.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,339,262.00	\$ -	\$ 9,339,262.00	\$ 9,339,262.00	\$ -
Tuition	1,915,190.00		1,915,190.00	1,926,207.35	11,017.35
Interest Earned on Investments	-		-	22,794.06	22,794.06
Interest Earned on Capital Reserve	1.00		1.00		(1.00)
Miscellaneous	61,001.00		61,001.00	140,796.55	79,795.55
Total Local Sources	11,315,454.00	-	11,315,454.00	11,429,059.96	113,605.96
State Sources:					
Extraordinary Aid			-	1,873.00	1,873.00
Categorical Special Education Aid	344,127.00		344,127.00	344,127.00	-
Categorical Security Aid	231,192.00		231,192.00	231,192.00	-
Adjustment Aid	5,024,785.00		5,024,785.00	4,999,157.00	(25,628.00)
Categorical Transportation Aid	90,851.00		90,851.00	90,851.00	-
TPAF Contributions (On-Behalf - Non-Budgeted):					
Pension Contributions			-	28,588.00	28,588.00
Post Retirement Medical Contributions			-	545,385.00	545,385.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	637,812.82	637,812.82
Total State Sources	5,690,955.00	-	5,690,955.00	6,878,985.82	1,188,030.82
Total Revenues	17,006,409.00	-	17,006,409.00	18,308,045.78	1,301,636.78
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten Salaries of Teachers	390,981.00	-	390,981.00	390,000.00	981.00
Grades 1 - 5 Salaries of Teachers	1,181,881.00	(138,803.11)	1,043,077.89	1,038,894.60	4,183.29
Grades 6 - 8 Salaries of Teachers	922,533.00	59,462.79	981,995.79	981,995.79	-
Grades 9 - 12 Salaries of Teachers	1,719,735.00	192,164.36	1,911,899.36	1,911,314.36	585.00
Regular Programs - Home Instruction					
Salaries of Teachers	42,000.00	48,977.90	90,977.90	90,379.90	598.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	70,736.00	-	70,736.00	56,941.14	13,794.86
Purchased Professional - Educational Services	25,000.00	(6,000.00)	19,000.00	1,920.00	17,080.00
Purchased Technical Services	38,000.00	(3,033.30)	34,966.70	34,936.97	29.73
Other Purchased Services (400-500 series)	18,811.00	152,167.88	170,978.88	148,978.84	22,000.04
General Supplies	453,300.00	(85,087.89)	368,212.11	342,566.27	25,645.84
Textbooks	90,558.00	(1,329.56)	89,228.44	61,799.97	27,428.47
Other Objects	5,000.00	500.00	5,500.00	5,090.26	409.74
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,958,535.00	219,019.07	5,177,554.07	5,064,818.10	112,735.97
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities					
Salaries of Teachers	50,469.00	23,483.57	73,952.57	73,952.57	-
Other Salaries for Instruction	18,500.00	374.00	18,874.00	18,874.00	-
General Supplies	500.00	(374.00)	126.00	79.99	46.01
Textbooks	500.00	1,516.00	2,016.00	-	2,016.00
Total Behavioral Disabilities	69,969.00	24,999.57	94,968.57	92,906.56	2,062.01
Self-Cont Multiple Disabilities/ DEPA					
Salaries of Teachers	202,902.00	24,595.49	227,497.49	227,497.49	-
Other Salaries for Instruction	75,367.00	14,707.80	90,074.80	90,074.80	-
General Supplies	6,200.00	-	6,200.00	410.09	5,789.91
Textbooks	7,000.00	-	7,000.00	1,069.75	5,930.25
Total Self-Cont Multiple Disabilities/ DEPA	291,469.00	39,303.29	330,772.29	319,052.13	11,720.16

CITY OF WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,073,643.00	\$ 22,592.54	\$ 1,096,235.54	\$ 1,096,235.54	\$ -
Other Salaries for Instruction	55,500.00	(5,665.00)	49,835.00	49,785.10	49.90
General Supplies	10,500.00	1,108.60	11,608.60	10,525.59	1,083.01
Textbooks	4,000.00	5,665.00	9,665.00	5,632.42	4,032.58
			-		-
Total Resource Room/Resource Center	<u>1,143,643.00</u>	<u>23,701.14</u>	<u>1,167,344.14</u>	<u>1,162,178.65</u>	<u>5,165.49</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,505,081.00</u>	<u>88,004.00</u>	<u>1,593,085.00</u>	<u>1,574,137.34</u>	<u>18,947.66</u>
Basic Skills/Remedial-Instruction					
Salaries of Teachers	180,486.00	(176,158.67)	4,327.33	-	4,327.33
Other Salaries for Instruction	37,324.00	-	37,324.00	-	37,324.00
Purchased Professional-Education Services	3,300.00	-	3,300.00	-	3,300.00
General Supplies	6,494.00	-	6,494.00	4,237.37	2,256.63
Textbooks	6,000.00	-	6,000.00	-	6,000.00
	<u>233,604.00</u>	<u>(176,158.67)</u>	<u>57,445.33</u>	<u>4,237.37</u>	<u>53,207.96</u>
Bilingual Education - Instruction					
Salaries of Teachers	251,712.00	21,553.88	273,265.88	273,265.88	-
Other Salaries for Instruction	24,895.00	6,183.40	31,078.40	31,078.40	-
General Supplies	16,000.00	-	16,000.00	4,438.06	11,561.94
Textbooks	5,250.00	-	5,250.00	2,001.44	3,248.56
Total Bilingual Education - Instruction	<u>297,857.00</u>	<u>27,737.28</u>	<u>325,594.28</u>	<u>310,783.78</u>	<u>14,810.50</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	80,288.00	5,900.00	86,188.00	80,957.60	5,230.40
Other Objects	35,500.00	(8,900.00)	26,600.00	26,565.53	34.47
Total School-Spon. Cocurricular Activities - Inst.	<u>115,788.00</u>	<u>(3,000.00)</u>	<u>112,788.00</u>	<u>107,523.13</u>	<u>5,264.87</u>
School-Spon. Cocurricular Athletics - Instruction					
Salaries	285,800.00	(2,627.30)	283,172.70	267,093.55	16,079.15
Purchased Services (300-500 series)	39,015.00	(2,800.00)	36,215.00	35,628.78	586.22
Supplies & Materials	80,000.00	13,427.30	93,427.30	81,753.76	11,673.54
Other Objects	13,200.00	-	13,200.00	11,646.94	1,553.06
Total School-Spon. Cocurricular Athletics - Inst.	<u>418,015.00</u>	<u>8,000.00</u>	<u>426,015.00</u>	<u>396,123.03</u>	<u>29,891.97</u>
TOTAL OTHER INSTRUCTIONAL PROGRAMS- INSTRUCTION	<u>1,065,264.00</u>	<u>(143,421.39)</u>	<u>921,842.61</u>	<u>818,667.31</u>	<u>103,175.30</u>
TOTAL INSTRUCTION	<u>7,528,880.00</u>	<u>163,601.68</u>	<u>7,692,481.68</u>	<u>7,457,622.75</u>	<u>234,858.93</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	-	2,000.00	2,000.00	1,036.00	964.00
Tuition to County Voc. School Dist. - Regular	114,870.00	49,000.00	163,870.00	146,291.72	17,578.28
Tuition to CSSD & Regional Day Schools	956,422.00	(41,074.95)	915,347.05	906,625.97	8,721.08
Tuition to Private Schools for the Disabled - Within State	125,988.00	1,000.00	126,988.00	106,858.70	20,129.30
Tuition to Private Schools for the Disabled - Other	-	-	-	-	-
Tuition - State Facilities	225,000.00	-	225,000.00	145,833.00	79,167.00
Tuition Other - High School	-	-	-	-	-
Total Undistributed Expenditures - Instruction	<u>1,422,280.00</u>	<u>10,925.05</u>	<u>1,433,205.05</u>	<u>1,306,645.39</u>	<u>126,559.66</u>
Undistributed Expend. - Attend. & Social Worker					
Salaries	113,241.00	8,521.87	121,762.87	120,945.27	817.60
Other Purchased Services (400-500 series)	500.00	-	500.00	-	500.00
Supplies & Materials	1,000.00	-	1,000.00	-	1,000.00
Other Objects	-	-	-	-	-
Total Undist. Expend. - Attend. & Social Worker	<u>114,741.00</u>	<u>8,521.87</u>	<u>123,262.87</u>	<u>120,945.27</u>	<u>2,317.60</u>
Undistributed Expend. - Health Services					
Salaries	116,749.00	5,958.00	122,707.00	122,707.00	-
Purchased Professional and Technical Services	23,050.00	-	23,050.00	20,094.88	2,955.12
Purchased Services (400-500 series)	7,150.00	2,331.38	9,481.38	9,481.38	-
Supplies & Materials	11,025.00	(202.09)	10,822.91	6,270.73	4,552.18
Other Objects	200.00	-	200.00	-	200.00
Total Undistributed Expend. - Health Services	<u>158,174.00</u>	<u>8,087.29</u>	<u>166,261.29</u>	<u>158,553.99</u>	<u>7,707.30</u>

CITY OF WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	\$ 99,434.00	\$ (16,634.25)	\$ 82,799.75	\$ 77,336.84	\$ 5,462.91
Purchased Professional Educational Services	-	2,498.00	2,498.00	2,498.00	-
Supplies & Materials	2,000.00	124.95	2,124.95	1,367.08	757.87
Other Objects	250.00	-	250.00	200.00	50.00
Total Undist. Expend. - Other Support Services Student - Related Services	<u>101,684.00</u>	<u>(14,011.30)</u>	<u>87,672.70</u>	<u>81,401.92</u>	<u>6,270.78</u>
Undist. Expend. - Other Support Serv. Students - Regular					
Salaries of Other Professional Staff	391,297.00	(5,665.81)	385,631.19	381,556.91	4,074.28
Salaries of Secretarial and Clerical Assistants	87,739.00	10,315.95	98,054.95	98,054.95	-
Other Purchased Professional and Tech. Services	35,000.00	-	35,000.00	-	35,000.00
Other Purchased Services (400-500 series)	1,500.00	-	1,500.00	524.00	976.00
Supplies & Materials	3,200.00	302.75	3,502.75	2,962.24	540.51
Total Undist. Expend. - Other Support Services Students - Regular	<u>518,736.00</u>	<u>4,952.89</u>	<u>523,688.89</u>	<u>483,098.10</u>	<u>40,590.79</u>
Undist. Expend. - Other Support Serv. Students - Special					
Salaries of Other Professional Staff	292,806.00	25,603.73	318,409.73	304,509.73	13,900.00
Salaries of Secretarial and Clerical Assistants	42,358.00	-	42,358.00	41,267.88	1,090.12
Other Salaries	500.00	960.00	1,460.00	270.00	1,190.00
Other Purchased Professional and Tech. Services	34,000.00	42,895.98	76,895.98	73,765.98	3,130.00
Misc. Purchased Serv. (400-500 series Other Than Resid. Costs)	2,000.00	-	2,000.00	816.56	1,183.44
Supplies & Materials	10,200.00	(1,150.00)	9,050.00	6,761.87	2,288.13
Other Objects	3,000.00	-	3,000.00	2,394.50	605.50
Total Undist. Expend. - Other Support Services Students - Special	<u>384,864.00</u>	<u>68,309.71</u>	<u>453,173.71</u>	<u>429,786.52</u>	<u>23,387.19</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	101,543.00	-	101,543.00	62,017.98	39,525.02
Salaries of Other Professional Staff	49,088.00	5,280.00	54,368.00	19,410.00	34,958.00
Salaries of Secr and Clerical Assist.	43,399.00	-	43,399.00	34,391.00	9,008.00
Other Salaries	87,355.00	(52,644.61)	34,710.39	450.00	34,260.39
Other Purchased Professional and Tech. Services	11,800.00	-	11,800.00	-	11,800.00
Other Purchased Services (400-500 series)	9,000.00	-	9,000.00	404.85	8,595.15
Supplies & Materials	49,600.00	35.00	49,635.00	1,497.43	48,137.57
Other Objects	32,200.00	-	32,200.00	9,327.00	22,873.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>383,985.00</u>	<u>(47,329.61)</u>	<u>336,655.39</u>	<u>127,498.26</u>	<u>209,157.13</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	152,240.00	-	152,240.00	150,519.00	1,721.00
Other Purchased Services (400-500 series)	4,630.00	-	4,630.00	1,504.00	3,126.00
Supplies & Materials	44,500.00	6,149.86	50,649.86	22,281.83	28,368.03
Other Objects	32,600.00	18,013.52	50,613.52	31,028.01	19,585.51
Total Undistributed Expenditures - Educational Media Services - School Library	<u>233,970.00</u>	<u>24,163.38</u>	<u>258,133.38</u>	<u>205,332.84</u>	<u>52,800.54</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	128,960.00	-	128,960.00	127,294.26	1,665.74
Legal Services	36,000.00	5,402.36	41,402.36	41,252.11	150.25
Audit Services	36,400.00	-	36,400.00	34,125.00	2,275.00
Other Purchased Professional Services	46,000.00	1,978.00	47,978.00	22,177.00	25,801.00
Purchased Technical Services	4,000.00	-	4,000.00	2,160.00	1,840.00
Communications/Telephone	55,000.00	(7,800.03)	47,199.97	26,762.81	20,437.16
Other Purchased Services (400-500 series)	17,100.00	-	17,100.00	12,784.61	4,315.39
General Supplies	4,000.00	-	4,000.00	1,540.57	2,459.43
Miscellaneous Expenditures	5,000.00	205.40	5,205.40	5,205.40	-
BOE Membership Dues and Fees	5,000.00	5,839.27	10,839.27	10,839.27	-
Total Undistributed Expenditures - Support Services - General Administration	<u>337,460.00</u>	<u>5,625.00</u>	<u>343,085.00</u>	<u>284,141.03</u>	<u>58,943.97</u>

CITY OF WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	\$ 285,541.00	\$ 73,646.11	\$ 359,187.11	\$ 359,187.11	\$ -
Salaries of Secretarial and Clerical Assistants	209,119.00	(48,856.88)	160,262.12	157,757.37	2,504.75
Other Purchased Professional and Tech. Services	9,500.00	-	9,500.00	3,129.00	6,371.00
Other Purchased Services (400-500 series)	12,500.00	-	12,500.00	4,628.99	7,871.01
Supplies & Materials	34,500.00	(1,000.00)	33,500.00	31,441.04	2,058.96
Misc. Expenditures	-	1,000.00	1,000.00	990.00	10.00
Total Undistributed Expenditures - Support Services - School Administration	551,160.00	24,789.23	575,949.23	557,133.51	18,815.72
Undist. Expend. - Central Services					
Salaries	200,760.00	40,504.99	241,264.99	241,264.99	-
Miscellaneous Purch. Services (400-500 Series)	800.00	-	800.00	124.35	675.65
Supplies & Materials	8,000.00	-	8,000.00	7,784.96	215.04
Miscellaneous Expenditures	2,000.00	-	2,000.00	502.00	1,498.00
Total Undist. Expend. - Central Services	211,560.00	40,504.99	252,064.99	249,676.30	2,388.69
Undist. Expend. - Admin. Info. Tech.					
Purchased Technical Services	-	-	-	-	-
Total Undist. Expend. - Admin. Info. Tech.	-	-	-	-	-
Undist. Expend. - Required Maint. School Fac.					
Salaries	104,554.00	-	104,554.00	53,993.03	50,560.97
Cleaning, Repair and Maintenance Service	381,829.00	174,860.91	556,689.91	365,304.91	191,385.00
General Supplies	20,000.00	-	20,000.00	11,322.30	8,677.70
Total Undistributed Expenditures - Required Maintenance for School Facilities	506,383.00	174,860.91	681,243.91	430,620.24	250,623.67
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	591,640.00	27,658.32	619,298.32	612,885.09	6,413.23
Purchased Professional and Technical Services	18,600.00	-	18,600.00	10,000.00	8,600.00
Cleaning, Repair and Maintenance Service	115,000.00	46,642.58	161,642.58	123,143.36	38,499.22
Rental of Land, Buildings & Other than Leases	31,000.00	37,228.15	68,228.15	67,342.11	886.04
Rental of Equipment	-	-	-	-	-
Other Purchased Property Services	77,500.00	(1,000.00)	76,500.00	20,667.83	55,832.17
Insurance	90,549.00	8,400.00	98,949.00	97,904.00	1,045.00
Miscellaneous Purchased Services	700.00	-	700.00	-	700.00
General Supplies	101,500.00	-	101,500.00	85,537.11	15,962.89
Energy(Heat and Electricity)	375,450.00	-	375,450.00	326,286.65	49,163.35
Other Objects	45,000.00	(7,400.00)	37,600.00	-	37,600.00
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	1,446,939.00	111,529.05	1,558,468.05	1,343,766.15	214,701.90
Total Undistributed Expenditures Operations and Maintenance of Plant	1,953,322.00	286,389.96	2,239,711.96	1,774,386.39	465,325.57
Undist. Expend. - Student Transportation Serv.					
Contracted Services - (Bet. Home & School)	110,000.00	-	110,000.00	96,894.91	13,105.09
Contracted Services - (Other than Home & Sch)	86,040.00	1,079.56	87,119.56	87,119.56	-
Contr. Serv. - (Bet. Home & School) Joint Agrm.	43,500.00	16,752.21	60,252.21	60,252.21	-
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	310,300.00	32,685.57	342,985.57	342,985.57	-
Contr. Serv. - Aid in Lieu of Payments	1,800.00	-	1,800.00	859.00	941.00
Supplies and Materials	500.00	-	500.00	-	500.00
Total Undistributed Expenditures - Student Transportation Services	552,140.00	50,517.34	602,657.34	588,111.25	14,546.09
Unallocated Benefits - Employee Benefits					
Social Security Contribution	187,708.00	20,411.10	208,119.10	208,119.10	-
Other Retirement Contributions - Regular	53,500.00	-	53,500.00	-	53,500.00
Unemployment Compensation	59,000.00	-	59,000.00	-	59,000.00
Workmen's Compensation	181,842.00	-	181,842.00	140,858.00	40,984.00
Health Benefits	2,420,340.00	(246,849.06)	2,173,490.94	1,946,561.11	226,929.83
Tuition Reimbursement	49,000.00	1,593.77	50,593.77	47,293.77	3,300.00
Other Employee Benefits	128,142.00	5,468.30	133,610.30	133,610.30	-
Total Unallocated Benefits	3,079,532.00	(219,375.89)	2,860,156.11	2,476,442.28	383,713.83

CITY OF WILDWOOD SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Pension Contributions	\$ -	\$ -	\$ -	\$ 28,588.00	\$ (28,588.00)
Post Retirement Medical Contributions			-	545,385.00	(545,385.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	637,812.82	(637,812.82)
Total On-Behalf Contributions	-	-	-	1,211,785.82	(1,211,785.82)
Total Personal Services - Employee Benefits	3,079,532.00	(219,375.89)	2,860,156.11	3,688,228.10	(828,071.99)
TOTAL UNDRISTRIBUTED EXPENDITURES	10,003,608.00	252,069.91	10,255,677.91	10,054,938.87	200,739.04
TOTAL GENERAL CURRENT EXPENSE	17,532,488.00	415,671.59	17,948,159.59	17,512,561.62	435,597.97
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	1.00		1.00		1.00
Equipment					
Undistributed Expenditures - Instruction			-		-
Total Equipment	1.00	-	1.00	-	1.00
TOTAL CAPITAL OUTLAY	1.00	-	1.00	-	1.00
TOTAL EXPENDITURES	17,532,489.00	415,671.59	17,948,160.59	17,512,561.62	435,598.97
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(526,080.00)	(415,671.59)	(941,751.59)	795,484.16	(1,737,235.75)
Other Financing Sources:					
Operating Transfers Out:					
Transfer to Food Service Fund	(26,000.00)	(15,918.89)	(41,918.89)	(41,880.68)	(38.21)
Total Other Financing Sources:	(26,000.00)	(15,918.89)	(41,918.89)	(41,880.68)	(38.21)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(552,080.00)	(431,590.48)	(983,670.48)	753,603.48	(1,737,273.96)
Fund Balance July 1	1,310,534.87		828,432.98	1,508,971.07	(1,729,629.24)
Fund Balance June 30	\$ 758,454.87	\$ (431,590.48)	\$ (155,237.50)	\$ 2,262,574.55	\$ (3,466,903.20)
Recapitulation:					
Reserve for Encumbrances				\$ 294,713.72	
Capital Reserve Account				8.00	
Emergency Reserve				250,000.00	
Maintenance Reserve				636,375.00	
Excess Surplus				344,650.70	
Excess Surplus - Designated for Subsequent Years' Expenditures				288,979.00	
Unreserved - Designated for Subsequent Years' Expenditures				119,122.00	
Unreserved Unrestricted Fund Balance				328,726.13	
				2,262,574.55	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				425,043.10	
				\$ 1,837,531.45	

CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -		\$ -	\$ -	\$ -
State Sources	584,486.60	87,848.03	672,334.63	579,651.29	(92,683.34)
Federal Sources	1,735,729.36	130,099.00	1,865,828.36	1,688,797.99	(177,030.37)
Total Revenues	2,320,215.96	217,947.03	2,538,162.99	2,268,449.28	(269,713.71)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,172,227.78	88,300.43	1,260,528.21	1,216,542.69	43,985.52
Other Salaries for Instruction	60,821.00	36,151.34	96,972.34	59,611.05	37,361.29
Purchased Professional and Technical Services	127,659.10	17,259.00	144,918.10	87,266.98	57,651.12
Other Purchased Services (400-500 series)	400,151.08	27,986.00	428,137.08	367,443.95	60,693.13
General Supplies	76,039.00	45,524.59	121,563.59	120,294.13	1,269.46
Textbooks	12,080.00		12,080.00	1,500.00	10,580.00
Other Objects	16,400.00		16,400.00	9,853.88	6,546.12
Total Instruction	1,865,377.96	215,221.36	2,080,599.32	1,862,512.68	218,086.64
Support Services:					
Salaries of Supervisors of Instruction	79,004.00		79,004.00	57,925.70	21,078.30
Salaries of Other Professional Staff	1,800.00		1,800.00	1,800.00	-
Other Salaries					
Personal Services - Employee Benefits	294,062.00	2,081.67	296,143.67	270,923.95	25,219.72
Purchased Professional - Technical Services		(54.00)			
Purchased Professional - Educational Services	19,228.00		19,174.00	18,174.00	1,000.00
Other Purchased Services (400-500 series)	17,300.00		17,300.00	17,300.00	-
Rentals	31,230.00		31,230.00	31,230.00	-
Contracted Services	1,900.00		1,900.00	1,900.00	-
Travel	5,806.00	698.00	6,504.00	2,174.95	4,329.05
Supplies & Materials	1,508.00		1,508.00	1,508.00	-
Other Objects	500.00		500.00	500.00	-
Total Support Services	452,338.00	2,725.67	455,063.67	403,436.60	51,627.07

**CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2009**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	2,500.00		2,500.00	2,500.00	-
Total Facilities Acquisitions and Const. Services:	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>2,500.00</u>	<u>-</u>
Total Outflows	<u>2,320,215.96</u>	<u>217,947.03</u>	<u>2,538,162.99</u>	<u>2,268,449.28</u>	<u>269,713.71</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILDWOOD SCHOOL DISTRICT
Required Supplementary Information
Budget - to - GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2009

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 18,308,045.78	[C-2]	\$ 2,268,449.28
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized				156,879.58
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the Subsequent year.		(425,043.10)		(36,610.90)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		184,174.26		58,391.74
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 18,067,176.94</u>	[B-2]	<u>\$ 2,447,109.70</u>
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 17,512,561.62	[C-2]	\$ 2,268,449.28
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 financial reporting purposes.				156,879.58
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 17,512,561.62</u>	[B-2]	<u>\$ 2,425,328.86</u>

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 WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Title I Part A					Totals 2009
	2008-2009	Carryover	SIA	SIA Carryover	Title IIA Carryover	
REVENUES:						
State Sources	\$ 579,651.29	\$ -	\$ -	\$ -	\$ -	\$ 579,651.29
Federal Sources	848,050.39	86,286.10	29,531.00	12,431.06	42,105.92	1,688,797.99
Local sources	-	-	-	-	-	-
Total Revenues	1,427,701.68	86,286.10	29,531.00	12,431.06	42,105.92	2,268,449.28
EXPENDITURES:						
Instruction:						
Salaries of Teachers	673,875.71	70,000.00	25,758.00	12,431.06	42,105.92	1,216,542.69
Other Salaries for Instruction	59,611.05	-	-	-	-	59,611.05
Purchased Professional Technical Services	53,131.50	16,286.10	-	-	-	87,266.98
Other Purchased Services (400-500 series)	268,413.08	-	-	-	-	367,443.95
General Supplies	68,410.86	-	1,785.00	-	-	120,294.13
Textbooks	1,500.00	-	-	-	-	1,500.00
Other Objects	9,853.88	-	-	-	-	9,853.88
Total Instruction	1,134,796.08	86,286.10	27,543.00	12,431.06	42,105.92	1,862,512.68
Support Services:						
Salaries of Supervisors of Instruction	57,925.70	-	-	-	-	57,925.70
Salaries of Other Professional Staff	1,800.00	-	-	-	-	1,800.00
Other Salaries	-	-	-	-	-	-
Personal Services - Employee Benefits	163,592.95	89,343.00	1,988.00	-	-	270,923.95
Purchased Professional Technical Services	-	-	-	-	-	-
Purchased Professional - Educational Services	12,474.00	-	-	-	-	18,174.00
Other Purchased Services (400-500 series)	17,300.00	-	-	-	-	17,300.00
Rentals	31,230.00	-	-	-	-	31,230.00
Travel	2,174.95	-	-	-	-	2,174.95
Supplies & Materials	1,508.00	-	-	-	-	1,508.00
Other Objects	500.00	-	-	-	-	500.00
Contracted Services	1,900.00	-	-	-	-	1,900.00
Total Support Services	290,405.60	-	1,988.00	-	-	403,436.60
Facilities Acquisitions and Construction Services:						
Instructional Equipment	2,500.00	-	-	-	-	2,500.00
Total Facilities Acquisitions and Const. Services:	2,500.00	-	-	-	-	2,500.00
Total Outflows	1,427,701.68	86,286.10	29,531.00	12,431.06	42,105.92	2,268,449.28
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1b)	Title IID	Title IID Carryover	Title III	Title IV	Title IV Carryover	Title V Carryover	Total Carried Forward
REVENUES:								
State Sources	\$ 579,651.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 579,651.29
Federal Sources	783,265.89	5,557.00	4,661.00	33,458.30	9,597.00	10,180.00	1,331.20	848,050.39
Local sources								
Total Revenues	1,362,917.18	5,557.00	4,661.00	33,458.30	9,597.00	10,180.00	1,331.20	1,427,701.68
EXPENDITURES:								
Instruction:								
Salaries of Teachers	640,344.51			25,000.00	7,200.00		1,331.20	673,875.71
Other Salaries for Instruction	59,611.05							59,611.05
Purchased Professional Technical Services	42,054.50				897.00	10,180.00		53,131.50
Other Purchased Services (400-500 series)	261,599.08	2,153.00	4,661.00	1,008.30				268,413.08
General Supplies	63,998.56	3,404.00						68,410.86
Textbooks	1,500.00							1,500.00
Other Objects	8,653.88			1,200.00				9,853.88
Total Instruction	1,077,761.58	5,557.00	4,661.00	27,208.30	8,097.00	10,180.00	1,331.20	1,134,796.08
Support Services:								
Salaries of Supervisors of Instruction	57,925.70							57,925.70
Salaries of Other Professional Staff	1,800.00							1,800.00
Other Salaries								
Personal Services - Employee Benefits	155,842.95			6,250.00	1,500.00			163,592.95
Purchased Professional Technical Services								
Purchased Professional - Educational Services	12,474.00							12,474.00
Other Purchased Services (400-500 series)	17,300.00							17,300.00
Rentals	31,230.00							31,230.00
Travel	2,174.95							2,174.95
Supplies & Materials	1,508.00							1,508.00
Other Objects	500.00							500.00
Contracted Services	1,900.00							1,900.00
Total Support Services	282,655.60	-	-	6,250.00	1,500.00	-	-	290,405.60
Facilities Acquisitions and Construction Services:								
Instructional Equipment	2,500.00		0.00					2,500.00
Total Facilities Acquisitions and Const. Services:	2,500.00	-	-	-	-	-	-	2,500.00
Total Outflows	1,362,917.18	5,557.00	4,661.00	33,458.30	9,597.00	10,180.00	1,331.20	1,427,701.68
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1c)	Reading First NJ	21st CCLC Program	Preschool Education	Nonpublic Nursing	Nonpublic Technology	Non-Public Compensatory Education	Total Carried Forward
REVENUES:								
State Sources	\$ 30,704.69	\$ -	\$ -	\$ 494,219.60	\$ 14,282.00	\$ 7,400.00	\$ 33,045.00	\$ 579,651.29
Federal Sources	267,810.08	304,571.25	210,884.56					783,265.89
Local sources	-	-	-	-	-	-	-	-
Total Revenues	298,514.77	304,571.25	210,884.56	494,219.60	14,282.00	7,400.00	33,045.00	1,362,917.18
EXPENDITURES:								
Instruction:								
Salaries of Teachers	14,594.00	188,746.00	107,027.50	310,389.60			19,587.41	640,344.51
Other Salaries for Instruction	5,385.05			54,226.00				59,611.05
Purchased Professional Technical Services	4,525.72	8,001.00	23,185.78	-		6,342.00		42,054.50
Other Purchased Services (400-500 series)	261,599.08							261,599.08
General Supplies	12,409.97	35,200.00	3,852.00	1,374.00			11,162.59	63,998.56
Textbooks	-			1,500.00				1,500.00
Other Objects	-		6,653.88	2,000.00				8,653.88
Total Instruction	298,513.82	231,947.00	140,719.16	369,489.60	-	6,342.00	30,750.00	1,077,761.58
Support Services:								
Salaries of Supervisors of Instruction	-	5,004.00	40,681.70		12,240.00			57,925.70
Salaries of Other Professional Staff	-			1,800.00				1,800.00
Other Salaries	-							-
Personal Services - Employee Benefits	0.95	66,671.00		83,776.00	2,042.00	1,058.00	2,295.00	155,842.95
Purchased Professional Technical Services	-		10,000.00	2,474.00				12,474.00
Purchased Professional - Educational Services	-		17,300.00					17,300.00
Other Purchased Services (400-500 series)	-			31,230.00				31,230.00
Rentals	-			750.00				750.00
Travel	-	449.25		300.00				749.25
Supplies & Materials	-							1,508.00
Other Objects	-	500.00						500.00
Contracted Services	-			1,900.00				1,900.00
Total Support Services	0.95	72,624.25	70,165.40	122,230.00	14,282.00	1,058.00	2,295.00	282,655.60
Facilities Acquisitions and Construction Services:								
Instructional Equipment	-			2,500.00				2,500.00
Total Facilities Acquisitions and Const. Services:	-	-	-	2,500.00	-	-	-	2,500.00
Total Outflows	298,514.77	304,571.25	210,884.56	494,219.60	14,282.00	7,400.00	33,045.00	1,362,917.18
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1d)	Non-Public Textbooks	Non-Public Supplemental Instruction	Non-Public Exam and Classification	Non-Public Corrective Speech	REBEL	IDEA Part B	Total Carried Forward
REVENUES:								
State Sources	\$ -	\$ 10,567.60	\$ 6,608.00	\$ 4,422.75	\$ 7,161.00	\$ 1,945.34	\$ -	\$ 30,704.69
Federal Sources	15,642.08						252,168.00	267,810.08
Local sources	-							-
Total Revenues	15,642.08	10,567.60	6,608.00	4,422.75	7,161.00	1,945.34	252,168.00	298,514.77
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-		6,608.00		7,161.00		825.00	14,594.00
Other Salaries for Instruction	-						5,385.05	5,385.05
Purchased Professional Technical Services	-			4,422.75		102.97		4,525.72
Other Purchased Services (400-500 series)	15,642.08						245,957.00	261,599.08
General Supplies	-	10,567.60				1,842.37		12,409.97
Textbooks	-							-
Other Objects	-							-
Total Instruction	15,642.08	10,567.60	6,608.00	4,422.75	7,161.00	1,945.34	252,167.05	298,513.82
Support Services:								
Salaries of Supervisors of Instruction	-							-
Salaries of Other Professional Staff	-							-
Other Salaries	-						0.95	0.95
Personal Services - Employee Benefits	-							-
Purchased Professional Technical Services	-							-
Purchased Professional - Educational Services	-							-
Other Purchased Services (400-500 series)	-							-
Rentals	-							-
Travel	-							-
Supplies & Materials	-							-
Other Objects	-							-
Contracted Services	-							-
Total Support Services	-	-	-	-	-	-	0.95	0.95
Facilities Acquisitions and Construction Services:								
Instructional Equipment	-							-
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-	-	-
Total Outflows	15,642.08	10,567.60	6,608.00	4,422.75	7,161.00	1,945.34	252,168.00	298,514.77
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	IDEA Part B Carryover	IDEA Preschool	IDEA Preschool Carryover	Total Carried Forward
REVENUES:				
State Sources	\$ 10,095.08	\$ -	\$ -	\$ 10,095.08
Federal Sources		3,998.00	1,549.00	5,547.00
Local Sources				
Total Revenues	10,095.08	3,998.00	1,549.00	15,642.08
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Other Salaries for Instruction				
Purchased Professional Technical Services				
Other Purchased Services (400-500 series)	10,095.08	3,998.00	1,549.00	15,642.08
General Supplies				
Textbooks				
Other Objects				
Total Instruction	10,095.08	3,998.00	1,549.00	15,642.08
Support Services:				
Salaries of Supervisors of Instruction				
Salaries of Other Professional Staff				
Other Salaries				
Personal Services - Employee Benefits				
Purchased Professional Technical Services				
Purchased Professional - Educational Services				
Other Purchased Services (400-500 series)				
Rentals				
Travel				
Supplies & Materials				
Other Objects				
Contracted Services				
Total Support Services				
Facilities Acquisitions and Construction Services:				
Instructional Equipment				
Total Facilities Acquisitions and Const. Services:				0.00
Total Outflows	10,095.08	3,998.00	1,549.00	15,642.08
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -

**CITY OF WILDWOOD SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2009**

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 310,389.60	\$ 310,389.60	\$ -
Other Salaries for Instruction	54,226.00	54,226.00	-
Purchased Professional and Technical Services			-
General Supplies	1,374.00	1,374.00	-
Textbooks	1,500.00	1,500.00	-
Other Objects	2,000.00	2,000.00	-
Total Instruction	<u>369,489.60</u>	<u>369,489.60</u>	<u>-</u>
Support Services:			
Salaries of Other Professional Staff	1,800.00	1,800.00	-
Personal Services - Employee Benefits	83,776.00	83,776.00	-
Other Purchased Professional Educ. Services	2,474.00	2,474.00	-
Rental	31,230.00	31,230.00	-
Contr. Trans Serv (Field Trips)	1,900.00	1,900.00	-
Travel	750.00	750.00	-
Supplies & Materials	300.00	300.00	-
Total Support Services	<u>122,230.00</u>	<u>122,230.00</u>	<u>-</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	2,500.00	2,500.00	-
Total Facilities Acquisition and Construction Ser.	<u>2,500.00</u>	<u>2,500.00</u>	<u>-</u>
Total Expenditures	<u>\$ 494,219.60</u>	<u>\$ 494,219.60</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2008-09 Preschool Education Aid Allocation	\$ 366,109.00
Add: Actual ECPA Carryover (June 30, 2008)	128,110.60
Add: Budgeted Transfer from the General Fund	-
Total Preschool Education Aid Funds Available for 2008-09 Budget	<u>494,219.60</u>
Less: 2008-2009 Budgeted Preschool Education Aid (Prior year budget carryover)	(494,219.60)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2009	<u>-</u>
Add: June 30, 2009 Unexpended Preschool Education Aid	-
2008-09 Carryover-Preschool Education Aid/Preschool	<u>\$ -</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

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

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

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

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

CITY OF WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
For the Year Ended June 30, 2009

	Unemployment Compensation Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 66,922.49	\$ 136,417.66	\$ 57,596.38	\$ 260,936.53
Receivables from Other Governments			-	-
Total Assets	66,922.49	136,417.66	57,596.38	260,936.53
LIABILITIES				
Accounts Payable	17,597.23		1,951.87	19,549.10
Due to Student Groups			55,560.22	55,560.22
Payroll Deductions Payable			84.29	84.29
Total Liabilities	17,597.23	-	57,596.38	75,193.61
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	\$ 49,325.26			49,325.26
Reserve for Scholarships		\$ 136,417.66		136,417.66
Total Net Assets				185,742.92
Total Liabilities and Net Assets			\$ 260,936.53	

CITY OF WILDWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Member	\$ 27,310.73	\$	\$ 27,310.73
Other		30,559.56	30,559.56
Total Contributions	<u>27,310.73</u>	<u>30,559.56</u>	<u>57,870.29</u>
Investments Earnings:			
Interest	422.25	320.58	742.83
Net Investment Earnings	<u>422.25</u>	<u>320.58</u>	<u>742.83</u>
Total Additions	<u>27,732.98</u>	<u>30,880.14</u>	<u>58,613.12</u>
Deductions			
Quarterly Contribution Reports	11,579.09		11,579.09
Unemployment Claims	55,857.46		55,857.46
Scholarships Awarded		14,000.00	14,000.00
Other		1,600.00	1,600.00
Total Deductions	<u>67,436.55</u>	<u>15,600.00</u>	<u>83,036.55</u>
Change in Net Assets	(39,703.57)	15,280.14	(24,423.43)
Net Assets - Beginning of the Year	<u>89,028.83</u>	<u>121,137.52</u>	<u>210,166.35</u>
Net Assets - End of the Year	<u>\$ 49,325.26</u>	<u>\$ 136,417.66</u>	<u>\$ 185,742.92</u>

**CITY OF WILDWOOD SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Student Activity Account	\$ 49,025.53	\$ 73,419.06	\$ 66,884.37	\$ 55,560.22
Total Assets	<u>\$ 47,401.84</u>	<u>\$ 73,419.06</u>	<u>\$ 66,884.37</u>	<u>\$ 55,560.22</u>

**CITY OF WILDWOOD SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,369.66	\$ 12,068,196.11	\$ 12,067,529.61	\$ 2,036.16
Accounts Receivable - Other	110.27		110.27	-
Total Assets	<u>\$ 1,479.93</u>	<u>\$ 12,068,196.11</u>	<u>\$ 12,067,639.88</u>	<u>\$ 2,036.16</u>
LIABILITIES:				
Payroll Deductions & Withholding	\$ -	\$ 5,071,089.47	5,071,005.18	\$ 84.29
Net Payroll Payable	-	6,996,634.70	6,996,634.70	-
Accounts Payable	1,479.93	471.94		1,951.87
Total Liabilities	<u>\$ 872.65</u>	<u>\$ 12,068,196.11</u>	<u>\$ 12,067,639.88</u>	<u>\$ 2,036.16</u>

LONG-TERM DEBT SCHEDULES

**CITY OF WILDWOOD SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2009**

Description	Amount of Original Issue	Balance July 1, 2008	Issued Current Year	Retired Current Year	Balance June 30, 2009
New Heating and Air Conditioning System	\$ 625,000.00	\$ 125,000.00	\$ -	\$ 80,000.00	\$ 45,000.00
		<u>\$ 125,000.00</u>	<u>\$ -</u>	<u>\$ 80,000.00</u>	<u>\$ 45,000.00</u>

CITY OF WILDWOOD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 63,980.00	\$ -	\$ 63,980.00	\$ 63,980.00	\$ -
Miscellaneous	-	-	-	-	-
Total - Local Sources	<u>63,980.00</u>	<u>-</u>	<u>63,980.00</u>	<u>63,980.00</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	22,058.00	-	22,058.00	22,058.00	-
Total - State Sources	<u>22,058.00</u>	<u>-</u>	<u>22,058.00</u>	<u>22,058.00</u>	<u>-</u>
Total Revenues	<u>86,038.00</u>	<u>-</u>	<u>86,038.00</u>	<u>86,038.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	6,038.00	-	6,038.00	6,037.50	0.50
Redemption of Principal	80,000.00	-	80,000.00	80,000.00	-
Total Regular Debt Service	<u>86,038.00</u>	<u>-</u>	<u>86,038.00</u>	<u>86,037.50</u>	<u>0.50</u>
Total Expenditures	<u>86,038.00</u>	<u>-</u>	<u>86,038.00</u>	<u>86,037.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.50</u>	<u>(0.50)</u>
Other Financing Sources(Uses):					
Operating Transfers In:					
Transfer from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.50</u>	<u>(0.50)</u>
Fund Balance, July 1	0.75		0.75	0.75	
Fund Balance, June 30	<u>\$ 0.75</u>	<u>\$ -</u>	<u>\$ 0.75</u>	<u>\$ 1.25</u>	<u>\$ (0.50)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ 0.75</u>	<u>\$ -</u>	<u>\$ 0.75</u>	<u>\$ 0.75</u>	<u>\$ -</u>

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 4,350,123.69	\$ 4,315,128.53	\$ 4,258,005.47	\$ 4,171,611.94	\$ 4,924,965.82	\$ 5,261,447.54	\$ 5,253,903.08
Restricted	705,387.04	1,043,283.81	507,492.79	1,078,772.43	1,066,167.96	1,108,693.38	1,813,972.98
Unrestricted	54,929.48	(333,666.54)	(421,323.93)	(330,501.86)	(332,047.31)	(79,309.42)	(109,553.37)
Total governmental activities net assets	\$ 5,110,440.21	\$ 5,024,745.80	\$ 4,344,174.33	\$ 4,919,882.51	\$ 5,659,086.47	\$ 6,290,831.50	\$ 6,958,322.69
Business-type activities							
Invested in capital assets, net of related debt	\$ 25,836.52	\$ 29,662.84	\$ 27,521.38	\$ 35,602.96	\$ 31,058.81	\$ 29,779.73	\$ 25,682.56
Restricted	-	(8,499.66)	-	101,271.07	49,658.67	102,534.76	101,268.33
Unrestricted	1,632.45	21,163.18	61,502.01	136,874.03	80,717.48	132,314.49	126,950.89
Total business-type activities net assets	\$ 27,468.97	\$ 21,163.18	\$ 89,023.39	\$ 136,874.03	\$ 80,717.48	\$ 132,314.49	\$ 126,950.89
District-wide							
Invested in capital assets, net of related debt	\$ 4,375,960.21	\$ 4,344,791.37	\$ 4,285,526.85	\$ 4,207,214.90	\$ 4,956,024.63	\$ 5,291,227.27	\$ 5,279,585.64
Restricted	705,387.04	1,043,283.81	507,492.79	1,078,772.43	1,066,167.96	1,108,693.38	1,813,972.98
Unrestricted	55,561.93	(342,166.20)	(359,821.92)	(229,230.79)	(282,388.64)	23,225.34	(8,285.04)
Total district net assets	\$ 5,137,909.18	\$ 5,045,908.98	\$ 4,433,197.72	\$ 5,056,756.54	\$ 5,739,803.95	\$ 6,423,145.99	\$ 7,085,273.58

Source: CAFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
Instruction:							
Regular	\$ 5,787,188.92	\$ 6,603,422.93	\$ 7,106,246.11	\$ 7,659,391.16	\$ 8,411,728.47	\$ 8,769,820.59	\$ 8,797,550.80
Special education	1,395,968.98	1,663,008.55	1,921,777.90	1,779,621.24	2,270,594.06	2,324,999.04	2,150,394.63
Other special education							
Vocational							
Other instruction	639,061.93	638,449.39	831,425.79	821,161.52	929,620.80	1,050,032.51	1,060,213.77
Nonpublic school programs							
Adult/continuing education programs							
Support Services:							
Tuition	1,391,935.19	1,456,384.34	1,194,000.50	1,158,304.03	1,366,452.01	1,255,429.08	1,306,645.39
Student & instruction related services	2,264,731.19	2,326,441.97	3,334,178.89	2,861,500.08	3,128,472.55	3,119,775.88	2,453,771.10
General administrative services							
School administrative services	1,012,066.27	1,081,753.32	729,477.29	834,323.32	705,112.22	689,534.00	748,529.87
Business administrative services	1,252,328.88	1,142,223.95	822,957.49	717,880.49	575,559.00	658,888.18	670,274.73
Plant operations and maintenance	1,428,301.15	1,604,383.42	1,416,014.83	1,508,110.45	1,638,545.47	1,606,399.91	1,867,331.00
Pupil transportation	421,973.14	411,806.31	454,135.93	479,227.99	519,084.91	570,140.56	588,111.25
Special schools							
Charter Schools			9,241.00		16,352.00		
Interest on long-term debt	28,613.40	25,163.40	21,355.25	17,330.93	13,305.21	8,941.20	4,111.77
Unallocated depreciation	-	-	189,575.17	185,902.97	185,824.08	230,769.55	243,259.96
Total governmental activities expenses	15,622,169.05	16,973,037.58	18,030,386.15	18,022,754.18	19,760,650.78	20,284,730.50	19,890,194.27

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

Exhibit J-2

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities:							
Food service	\$ 686,694.47	\$ 749,632.21	\$ 704,523.80	\$ 815,530.86	\$ 831,223.44	\$ 939,346.98	\$ 934,952.28
Child care							
Other							
Total business-type activities expenses	\$ 686,694.47	\$ 749,632.21	\$ 704,523.80	\$ 815,530.86	\$ 831,223.44	\$ 939,346.98	\$ 934,952.28
Total district expenses	\$ 16,308,863.52	\$ 17,722,669.79	\$ 18,734,909.95	\$ 18,838,285.04	\$ 20,591,874.22	\$ 21,224,077.48	\$ 20,825,146.55
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-
Operating grants and contributions	4,334,939.09	4,750,296.52	5,182,957.24	5,035,763.16	5,531,570.43	5,705,777.11	4,099,038.21
Capital grants and contributions	-	250,899.14	-	20,925.18	15,500.22	-	-
Total governmental activities program revenues	4,334,939.09	5,001,195.66	5,182,957.24	5,056,688.34	5,547,070.65	5,705,777.11	4,099,038.21
Business-type activities:							
Charges for services:							
Food service	175,676.46	173,149.49	216,019.45	216,028.82	219,673.46	316,631.10	292,331.77
Child care	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Operating grants and contributions	472,566.65	477,624.81	470,654.28	552,254.92	530,029.45	618,352.42	595,139.99
Capital grants and contributions	-	-	-	-	-	-	-
Total business-type activities program revenue	648,243.11	650,774.30	686,673.73	768,283.74	749,702.91	934,983.52	887,471.76
Total district program revenue	\$ 4,983,182.20	\$ 5,651,969.96	\$ 5,869,630.97	\$ 5,824,972.08	\$ 6,296,773.56	\$ 6,640,760.63	\$ 4,986,509.97

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

Exhibit J-2

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Net (Expense)/Revenue							
Governmental activities	\$ (11,287,229.96)	\$ (11,971,841.92)	\$ (12,847,428.91)	\$ (12,966,065.84)	\$ (14,213,580.13)	\$ (14,578,953.39)	\$ (15,791,156.06)
Business-type activities	(38,451.36)	(98,857.91)	(17,850.07)	(47,247.12)	(81,520.53)	(4,363.46)	(47,480.52)
Total district-wide net expense	\$ (11,325,681.32)	\$ (12,070,699.83)	\$ (12,865,278.98)	\$ (13,013,312.96)	\$ (14,295,100.66)	\$ (14,583,316.85)	\$ (15,838,636.58)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes levied for general purposes, net	\$ 6,275,109.00	\$ 7,035,414.00	\$ 6,904,240.00	\$ 8,007,087.00	\$ 9,256,098.00	\$ 9,339,262.00	\$ 9,339,262.00
Taxes levied for debt service	32,103.00	2,995.00	69,050.00	66,058.00	63,065.00	67,401.00	63,980.00
Unrestricted grants and contributions	3,930,278.34	3,374,967.30	3,646,025.65	3,544,139.66	3,513,141.44	3,689,204.24	5,008,246.45
Tuition	1,585,348.00	1,676,730.00	1,605,318.00	1,949,318.00	2,012,190.00	2,042,316.50	1,926,207.35
Payments in lieu of taxes	-	-	-	-	-	-	-
Investment earnings	24,269.17	17,267.45	37,016.79	78,895.38	128,721.53	82,938.85	22,794.06
Miscellaneous income	12,037.98	3,985.83	9,152.12	20,421.54	9,666.16	46,197.32	140,796.57
Transfers	(250,611.92)	(93,000.00)	(85,500.00)	(100,000.00)	(25,000.00)	(55,770.76)	(41,880.68)
Loss on Disposal of Fixed Assets	-	(132,212.07)	(18,445.12)	(24,145.56)	(5,098.04)	(860.73)	(748.50)
Total governmental activities	11,608,533.57	11,886,147.51	12,166,857.44	13,541,774.02	14,952,784.09	15,210,688.42	16,458,657.25
Business-type activities:							
Investment earnings	430.42	202.77	210.28	610.53	363.98	243.95	236.24
Transfers	-	93,000.00	85,500.00	100,000.00	25,000.00	55,770.76	41,880.68
Special Item-Loss on Disposal of Fixed Assets	-	(650.65)	-	(5,512.77)	-	(54.24)	-
Total business-type activities	430.42	92,552.12	85,710.28	95,097.76	25,363.98	55,960.47	42,116.92
Total district-wide	\$ 11,608,963.99	\$ 11,978,699.63	\$ 12,252,567.72	\$ 13,636,871.78	\$ 14,978,148.07	\$ 15,266,648.89	\$ 16,500,774.17
Changes in Net Assets							
Governmental activities	\$ 321,303.61	\$ (85,694.41)	\$ (680,571.47)	\$ 575,708.18	\$ 739,203.96	\$ 631,735.03	\$ 667,501.19
Business-type activities	(38,020.94)	(6,305.79)	67,860.21	47,850.64	(56,156.55)	51,597.01	(5,363.60)
Total district	\$ 283,282.67	\$ (92,000.20)	\$ (612,711.26)	\$ 623,558.82	\$ 683,047.41	\$ 683,332.04	\$ 662,137.59

Source: CAFR Schedule A-2

Exhibit J-3

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

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 654,658.99	\$ 740,394.89	\$ 514,890.79	\$ 1,084,669.36	\$ 1,070,563.85	\$ 1,111,373.05	\$ 1,814,726.42
Unreserved	661,259.86	535,784.60	177,291.35	270,529.38	180,045.97	213,423.76	22,805.03
Total general fund	\$ 1,315,918.85	\$ 1,276,179.49	\$ 692,182.14	\$ 1,355,198.74	\$ 1,250,609.82	\$ 1,324,796.81	\$ 1,837,531.45
All Other Governmental Funds							
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:							
Special revenue fund	(44,541.72)	(46,271.61)	(48,234.95)	(49,013.80)	(58,920.95)	(58,391.74)	(36,610.90)
Capital projects fund	22,824.28	-	-	-	-	-	-
Debt service fund	38,089.37	-	-	-	0.75	0.75	1.25
Permanent fund	-	-	-	-	-	-	-
Total all other governmental funds	\$ 16,371.93	\$ (46,271.61)	\$ (48,234.95)	\$ (49,013.80)	\$ (58,920.20)	\$ (58,390.99)	\$ (36,609.65)

Source: CAFR Schedule B-1

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

Exhibit J-4

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Tax levy	\$ 5,457,236.00	\$ 6,038,588.00	\$ 5,925,193.00	\$ 6,307,212.00	\$ 7,038,409.00	\$ 6,973,290.00	\$ 8,073,145.00	\$ 9,319,163.00	\$ 9,406,663.00	\$ 9,403,242.00
Tuition charges	1,379,122.01	1,268,129.20	1,285,358.00	1,585,348.00	1,676,730.00	1,605,318.00	1,949,318.00	2,012,190.00	2,042,316.50	1,926,207.35
Interest earnings	52,461.92	79,715.67	47,017.14	50,464.27	136,620.92	80,659.45	120,742.02	138,387.69	129,136.17	163,590.61
Miscellaneous	112,892.73	32,555.06	11,773.60	6,600,130.61	6,535,958.08	7,013,317.87	6,908,558.20	7,851,703.13	7,851,703.13	7,323,089.86
State sources	3,894,605.69	4,048,579.57	4,546,923.79	1,650,929.70	1,724,839.24	1,781,174.48	1,670,844.70	1,798,229.94	1,543,278.22	1,784,194.82
Federal sources				16,194,084.58	17,112,555.24	17,453,759.80	18,722,607.92	20,529,952.78	20,973,097.02	20,600,324.64
Total revenue	10,896,318.35	11,467,567.50	11,816,265.53	16,194,084.58	17,112,555.24	17,453,759.80	18,722,607.92	20,529,952.78	20,973,097.02	20,600,324.64
Expenditures										
Instruction										
Regular instruction	3,386,895.32	3,397,030.69	3,162,304.14	4,946,316.06	5,379,665.55	6,176,131.25	6,159,657.88	6,460,339.33	7,059,515.31	7,163,811.26
Special education instruction	819,388.11	782,589.69	957,169.00	1,034,107.84	1,228,195.56	1,243,992.16	1,266,018.76	1,533,229.17	1,635,360.36	1,574,137.34
Other special instruction	139,367.70	148,892.36	124,810.30							
Vocational education										
Other instruction	382,987.25	378,241.16	378,167.13	497,989.10	499,112.82	584,203.95	618,490.63	684,271.25	779,020.57	818,667.31
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	1,248,296.17	1,329,052.87	1,319,696.32	1,391,935.19	1,456,384.34	1,194,000.50	1,158,304.03	1,366,452.01	1,255,429.08	1,306,645.39
Student & instruction related services	984,278.09	1,069,461.08	1,178,861.32	1,878,883.88	1,929,187.06	2,565,095.45	2,347,033.61	2,471,386.13	2,499,373.86	1,930,452.60
General administrative services	306,086.03	356,992.99	389,783.27	1,057,366.29	987,117.75	616,437.88	598,926.94	514,266.09	517,826.80	533,817.33
School Administrative services	608,114.61	628,562.59	681,755.81	752,109.50	811,325.30	493,642.40	581,398.69	495,485.09	504,901.65	557,133.51
Business administrative services	235,615.50	216,076.03	228,887.54							
Plant operations and maintenance	925,551.52	955,387.21	917,107.17	1,125,153.30	1,246,617.86	1,152,962.62	1,134,995.08	2,226,448.88	1,812,434.32	1,774,386.39
Pupil transportation	89,061.66	359,216.12	358,624.92	421,973.14	411,806.31	454,135.93	479,227.99	519,084.91	570,140.56	588,111.25
Unallocated employee benefits	1,558,601.71	1,716,846.14	1,907,299.00	2,275,635.15	2,833,020.45	3,325,144.17	3,493,948.60	4,231,826.77	4,097,856.52	3,688,228.10
Food Services										
Transfer to Cover Food Services Deficit										
Special Schools										
Charter Schools										
Capital outlay	45,493.80	18,744.32	12,314.12	816,197.62	253,055.14	46,376.93	33,535.96	16,352.00	20,094.36	2,500.00
Debt service:										
Principal										
Interest and other charges										
Total expenditures	10,729,737.47	11,357,093.25	11,616,780.04	16,287,567.07	17,121,938.14	17,954,220.49	17,960,370.17	20,619,448.10	20,842,610.06	20,023,927.98
Excess (Deficiency) of revenues over (under) expenditures	166,580.88	110,474.25	199,485.49	(93,482.49)	(9,382.90)	(500,460.69)	762,237.75	(89,495.32)	130,486.96	576,396.66
Other Financing sources (uses)										
Capital leases (non-budgeted)										
Transfers in	20,616.08	(31,996.70)	(20,000.00)	35,747.77	23,202.63	0.25				
Transfers out	(41,596.69)	(20,616.08)	(20,000.00)	(35,747.77)	(116,202.63)	(85,500.25)	(100,000.00)	(25,000.00)	(55,770.76)	(41,880.68)
Total other financing sources (uses)	(20,970.61)	(52,612.78)	(20,000.00)	(35,747.77)	(93,000.00)	(85,500.00)	(100,000.00)	(25,000.00)	(55,770.76)	(41,880.68)
Net change in fund balances	\$ 145,610.27	\$ 57,861.47	\$ 179,485.49	\$ (93,482.49)	\$ (102,382.90)	\$ (585,960.69)	\$ 662,237.75	\$ (114,495.32)	\$ 74,716.20	\$ 534,515.98
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.58%	0.51%	0.52%	0.50%	0.41%	0.44%	0.43%

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Totals
2000	\$ 52,461.92	\$ 1,379,122.01	\$ -	\$ 112,892.73	\$ 1,544,476.66
2001	79,715.67	1,268,129.20	-	32,555.06	1,380,399.93
2002	47,017.14	1,285,358.00	-	11,773.60	1,344,148.74
2003	24,269.17	1,585,348.00	2,800.00	8,239.21	1,620,656.38
2004	17,133.18	1,676,730.00	1,680.00	2,305.83	1,697,849.01
2005	37,016.79	1,605,318.00	2,770.00	6,382.62	1,651,487.41
2006	78,895.38	1,949,318.00	-	20,421.54	2,048,634.92
2007	128,721.53	2,012,190.00	-	9,666.16	2,150,577.69
2008	82,938.85	2,042,316.50	-	46,178.65	2,171,434.00
2009	22,794.06	1,926,207.35	-	140,796.55	2,089,797.96

Source: District Records

CITY OF 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	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2000	\$ 13,742,300	\$ 211,403,500			\$ 148,363,000	\$ 2,500,900	\$ 105,419,900	\$ 481,429,600	\$ 2,812,936	\$ 484,242,536	1.197	\$ 494,759,868	
2001	14,180,200	211,731,800			149,731,900	2,523,400	103,212,000	481,379,300	2,751,266	484,130,566	1.195	514,339,963	
2002	14,552,400	217,011,073			151,707,500	2,545,100	103,161,900	488,977,973	2,838,058	491,816,031	1.250	595,635,256	
2003	18,054,300	231,868,900			151,204,600	2,670,100	103,004,200	506,802,100	2,735,829	509,537,929	1.250	549,597,506	
2004	18,233,000	266,595,900			157,761,100	2,682,600	97,419,800	542,692,400	1,984,223	544,676,623	1.311	893,120,691	
2005	89,726,800	886,886,000			533,997,600	5,766,900	208,113,000	1,724,490,300	3,060,581	1,727,550,881	0.436	1,297,191,442	
2006	104,162,200	954,629,500			514,267,500	5,766,900	184,068,700	1,762,894,800	3,056,891	1,765,951,691	0.493	1,714,849,185	
2007	79,387,600	1,070,892,300			514,218,900	5,766,900	186,766,600	1,859,032,300	2,716,549	1,861,748,849	0.503	2,095,863,571	
2008	67,647,700	1,104,334,100			469,532,400	5,766,900	188,255,400	1,835,536,500	2,747,832	1,838,284,332	0.513	2,077,461,718	
2009	65,926,000	1,116,327,400			463,681,800	5,766,900	183,648,100	1,835,350,200	2,656,589	1,838,006,789	0.510	2,043,353,670	

Source: County Abstract of Rates & Municipal Tax Assessor

CITY OF 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 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	Municipal Local Purpose	Other	
2000	1.197		1.197	0.424	0.012	0.032	1.377		3.042
2001	1.195		1.195	0.383	0.011	0.031	1.427		3.047
2002	1.250		1.250	0.368	0.012	0.033	1.485		3.148
2003	1.250		1.250	0.353	0.013	0.037	1.537		3.190
2004	1.311		1.311	0.408	0.017	0.049	1.666		3.451
2005	0.436		0.436	0.156	0.008	0.023	0.797		1.420
2006	0.493		0.493	0.166	0.010	0.029	0.812		1.510
2007	0.503		0.503	0.171	0.012	0.033	0.831		1.550
2008	0.513		0.513	0.171	0.012	0.033	0.928		1.657
2009	0.510		0.510	0.168	0.011	0.031	1.111		1.831

Source: District Records and Municipal Tax Collector

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

Exhibit J-8

Taxpayer	2009				2000			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
EMIF	\$ -				\$ 11,730,300.00	1	2.42%	
Bolero Corporation	11,255,600.00	1	0.61%					
The Morey Organization	8,955,000.00	2	0.49%					
Midtown Properties, Inc.	8,947,400.00	3	0.49%		2,750,000.00	10	0.57%	
BMF Investments, LLC	7,189,500.00	3	0.39%					
Marina Bay At Rio Grande, LLC	6,930,000.00	4	0.38%					
Calimsea Properties, LLC	6,452,400.00	5	0.35%					
AMGC Corp.	6,444,700.00	6	0.35%		2,900,000.00	8	0.60%	
Nickels Midway Pier LLC	6,418,500.00	7	0.35%		4,940,000.00	4	1.02%	
PPI Rio Assoc., LLC	5,800,000.00	8	0.32%					
Sammax Inc	5,734,200.00	9	0.31%					
Strand Corp	5,617,000.00	10	0.31%					
New Jersey Bell					5,429,138.00	3	1.12%	
Mariner's Landing, Inc					5,589,500.00	2	1.15%	
Schwartz, M & P					3,850,000.00	5	0.80%	
Boardwalk Arcade					3,500,000.00	6	0.72%	
Bolton, Nathan					3,375,000.00	7	0.70%	
Beach Terrace					2,808,000.00	9	0.58%	
Totals	\$ 79,744,300		4.34%		\$ 46,871,938		9.68%	
	District Assessed Value		\$ 1,838,006,789		\$ 484,242,536			

Source: District CAFR & Municipal Tax Assessor

**CITY OF 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	
2000	\$ 5,457,236.00	\$ 5,457,234.00	100%	\$ 2.00
2001	6,100,534.00	5,778,885.00	95%	321,649.00
2002	5,995,870.00	5,995,870.00	100%	-
2003	6,307,212.00	6,307,212.00	100%	-
2004	7,038,409.00	7,038,409.00	100%	-
2005	6,973,290.00	6,973,290.00	100%	-
2006	8,073,145.00	7,400,383.00	92%	672,762.00
2007	9,319,163.00	9,319,163.00	100%	-
2008	9,406,663.00	9,406,663.00	100%	-
2009	9,403,242.00	9,403,242.00	100%	-

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

CITY OF WILDWOOD SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases		Capital Leases				
2000			\$ 730,000.00			\$ 730,000.00	4.34%	\$ 31,664.00	
2001			644,000.00			644,000.00	5.17%	33,270.00	
2002			535,000.00			535,000.00	6.45%	34,493.00	
2003			475,000.00			475,000.00	7.35%	34,917.00	
2004			415,000.00			415,000.00	9.02%	37,422.00	
2005			345,000.00			345,000.00	11.27%	38,884.00	
2006			275,000.00			275,000.00	14.78%	40,636.00	
2007			205,000.00			205,000.00	20.51%	42,052.00	
2008			125,000.00			125,000.00	*	*	
2009			45,000.00			45,000.00	*	*	

* Accurate Information is not available

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

Exhibit J-11

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

Fiscal Year Ended June 30,	Governmental Activities			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions				
2000	-	-	-	-	0.00%	\$ 31,664.00
2001	-	-	-	-	0.00%	33,270.00
2002	-	-	-	-	0.00%	34,493.00
2003	-	-	-	-	0.00%	34,917.00
2004	-	-	-	-	0.00%	37,422.00
2005	-	-	-	-	0.00%	38,884.00
2006	-	-	-	-	0.00%	40,636.00
2007	-	-	-	-	0.00%	42,052.00
2008	-	-	-	-	0.00%	*
2009	-	-	-	-	0.00%	*

* Accurate Information is not available

CITY OF WILDWOOD SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2008

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Wildwood	\$ 26,264,376.55	100.00%	\$ 26,264,376.55
Other debt			
County of Cape May	34,284,000.00	3.71%	1,271,936.40
Cape May County MUA	15,955,000.00	3.71%	591,930.50
Cape May Bridge Commission	113,731,953.00	3.71%	4,219,455.46
Subtotal, overlapping debt			6,083,322.36
Wildwood School District Direct Debt			-
Total direct and overlapping debt			\$ 32,347,698.91

Sources:
 County and District Records

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

Exhibit J-13

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 19,168,830	\$ 19,539,790	\$ 20,313,478	\$ 16,247,203	\$ 25,933,781	\$ 34,373,913	\$ 48,805,773	\$ 64,068,140	\$ 76,324,180	\$ 80,967,714
Total net debt applicable to limit										
Legal debt margin	\$ 19,168,830	\$ 19,539,790	\$ 20,313,478	\$ 16,247,203	\$ 25,933,781	\$ 34,373,913	\$ 48,805,773	\$ 64,068,140	\$ 76,324,180	\$ 80,967,714
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	2006	2007	2008
Equalized valuation basis	\$ 1,967,942,825	2,081,783,091	2,022,852,656
Average equalized valuation of taxable property	\$ 2,024,192,857		
Debt limit (4% of average)	80,967,714		
Net bonded school debt	-		
Legal debt margin	\$ 80,967,714		

Source: Abstract of Ratables and District Records CAFR Schedule J-7

CITY OF 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
2000	5,421	\$ 171,650,544	\$ 31,664	20.7%
2001	5,341	177,695,070	33,270	20.0%
2002	5,272	181,847,096	34,493	22.9%
2003	5,267	183,907,839	34,917	23.5%
2004	5,167	193,359,474	37,422	17.0%
2005	5,252	204,218,768	38,884	16.4%
2006	5,299	215,330,164	40,636	17.2%
2007	5,286	222,286,872	42,052	16.5%
2008	5,259	*	*	15.5%
2009	*	*	*	*

* Accurate information is not available

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

Exhibit J-15

Employer	2009			2000		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wildwood Board of Education	181	1				
Moreys Piers	79	2				
Crest Savings Bank	42	3				
J Byrne Agency	41	4				
Kelly's Café	36	5				
Neils Steakhouse	30	6				
Totals	409		0.00%	-		0.00%

NOT AVAILABLE

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

Exhibit J-16

<u>Function/Program</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction:	not available	97.8	99.0	98.0	98.0					
Regular instruction							21.0	23.0	23.0	24.0
Special education instruction							0.0	0.0	0.0	0.0
Other special education instruction							0.0	0.0	0.0	0.0
Vocational education							0.0	0.0	0.0	0.0
Other instruction							0.0	0.0	0.0	0.0
Nonpublic school programs							1.0	1.0	1.0	1.0
Adult/continuing education programs							0.0	0.0	0.0	0.0
Support Services:										
Tuition							0.0	0.0	0.0	0.0
Student & instruction related services							17.8	18.0	17.0	17.0
General administrative services							0.6	0.0	0.5	0.5
School administrative services							7.5	7.0	7.0	7.0
Business administrative services							4.0	4.0	3.5	3.5
Plant operations and maintenance							16.0	13.0	14.0	14.0
Pupil transportation							0.0	0.0	0.0	0.0
Special schools							0.0	0.0	0.0	0.0
Food Service							0.0	0.0	0.0	0.0
Child Care							0.0	0.0	0.0	0.0
Total	-	-	-	-	-	-	165.7	165.0	164.0	165.0

Source: District Personnel Records

CITY OF 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			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2000	997.0	\$ 13,299,708.91	\$ 13,340	21.60%	116	1:20	1:18	1:13	1,050.6	952.0	-2.68%	90.61%
2001	1,034.0	13,524,119.30	13,079	-1.95%	118	1:21	1:18	1:12	951.6	866.3	-9.42%	91.04%
2002	970.0	13,908,638.11	14,339	9.63%	118	1:11	1:13	1:11	907.8	831.6	-4.60%	91.61%
2003	900.0	16,182,132.07	17,980	25.40%	120	1:10	1:17	1:13	911.2	822.8	0.37%	90.30%
2004	873.0	17,033,332.14	19,511	8.52%	120	1:10	1:11	1:10	834.1	756.9	-8.46%	90.74%
2005	857.0	17,852,123.24	20,831	6.76%	123	1:8	1:10	1:9	770.8	711.8	-7.59%	92.35%
2006	797.3	17,871,538.17	22,415	7.60%	123	1:8	1:8	1:9	797.3	732.8	3.44%	91.91%
2007	788.0	20,534,641.85	26,059	16.26%	126	1:8	1:8	1:9	797.3	732.8	0.00%	91.91%
2008	778.0	20,787,629.79	26,719	2.53%	120	1:8	1:8	1:9	778.1	738.8	-2.41%	94.95%
2009	823.3	19,977,271.16	24,265	-9.19%	122	1:8	1:8	1:9	823.3	761.1	5.81%	92.45%

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

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

Exhibit J-18

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
District Buildings										
<u>Wildwood Middle/High School</u>										
Square Feet	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,170	128,170
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	481	579	624	582	523	538	411	411	411	411
Elementary										
<u>Glenwood Avenue</u>										
Square Feet	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	451	418	410	388	377	335	446	446	446	446
Other										
Number of Schools at June 30, 2009										
Elementary =	1									
High School/Middle School =	1									
Other =	0									

Source: District Records, ASSA

CITY OF WILDWOOD SCHOOL DISTRICT

General Fund

Schedule of Required Maintenance for School Facilities,

Last Nine 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	2009
Wildwood High	N/A	\$ 129,476	\$ 139,702	\$ 137,833	\$ 117,325	\$ 100,125	\$ 113,968	\$ 1,034,957	\$ 307,713	\$ 398,124
Wildwood Middle School	N/A			19,732	76,261	74,892		1,135		
Glenwood Avenue Elementary	N/A	24,693	6,019	93,901	170,855	68,217	58,091	38,779	188,292	32,496
Behavioral Disability	N/A			858	2,199					
Total School Facilities		154,169	145,721	252,324	366,640	243,234	172,059	1,074,871	496,005	430,620
Other Facilities									750	
Grand Total		\$ 154,169	\$ 145,721	\$ 252,324	\$ 366,640	\$ 243,234	\$ 172,059	\$ 1,074,871	\$ 496,755	\$ 430,620

Source: District Records

CITY OF WILDWOOD SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
NJSBAIG	Property		
	Property Blanket Building & Contents- Replacement Cost Values	\$ 10,490,606,031.00	\$ 5,000.00
	Blanket Extra Expense	25,000,000.00	5,000.00
	Blanket Valuable Papers and Records	10,000,000.00	5,000.00
	Demolition and Increased Cost of Construction	10,000,000.00	
	Fire Department Service Charge	10,000.00	
	Arson Reward	10,000.00	
	Pollutant Cleanup and Removal	250,000.00	
	Flood/Earthquake	50,000,000.00	500,000.00
	Sublimits:Flood Zones Prefix A & V	10,000,000.00	500,000.00
	NJSBAIG annual aggregate	10,000,000.00	
	Flood Zone B (per occurrence)	25,000,000.00	
	All other Flood Zones (per occurrence)	50,000,000.00	10,000.00
	Earthquake (per occurrence)	5,000,000.00	
	Terrorism (per occurrence)	1,000,000.00	
NJSBAIG annual aggregate	1,000,000.00		
NJSBAIG annual aggregate	1,000,000.00		
NJSBAIG	School Leaders Errors and Omissions		
	Coverage A		
	Limit of Liability - Each Policy Period	6,000,000.00	5,000.00
	Coverage B		
	Limit of Liability - Each Claim	100,000.00	5,000.00
Limit of Liability - Each Policy Period	300,000.00	5,000.00	

CITY OF WILDWOOD SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
NJSBAIG	Electronic Data Processing		
	Blanket Hardware/Software (per occurrence)	\$ 350,000.00	\$ -
	Blanket Extra Expense	Included	
	Coverage Extensions Transit	25,000.00	
		10,000.00	
	Loss of Income	included in property	
	Terrorism	1,000.00	
	Deductible (per occurrence)	1,000,000.00	100.00
	Flood (per occurrence)	500,000.00	
	Flood Deductibles (per member/per occurrence)	10,000.00	
	All Other Flood Zones		
NJSBAIG	Equipment Breakdown		
	Combined Single Limit per Accident for Prop Damage	100,000,000.00	
	Sublimits: Property Damage	included	
	Off Premises Property Damage	100,000.00	
	Business Income	included	
	Extra Expense	10,000,000.00	
	Service Interruption	10,000,000.00	
	Perishable Goods	500,000.00	
	Data Restoration	100,000.00	
	Demolition	1,000,000.00	
	Ordinance or Law	1,000,000.00	
	Expediting Expenses	500,000.00	
	Hazardous Substances	500,000.00	
	Newly Acquired Locations (60 Days notice)	250,000.00	
	Terrorism	included	

CITY OF WILDWOOD SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
	Deductibles:		
	per accident for Property Damage	\$ 5,000.00	\$ -
	12 hours per Accident for Business Interruption/Extra Expense Interruption of Services Waiting Period 24 hours		
	Crime		
	Insuring Agreement 1 Public Employee Dishonesty with Faithful Performance	250,000.00	1,000.00
	Insuring Agreement 2 Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premise	10,000.00	500.00
	Insuring Agreement 3 Theft, Disappearance and Destructive Money Orders & Counterfeit Paper Currency	5,000.00	500.00
	Insuring Agreement 4 Forgery or Alteration	100,000	1,000
	Insuring Agreement 5 Computer Fraud	not covered	
NJSBAIG	Fidelity Bonds		
	-Treasurer of School Monies	205,000.00	1,000.00
	-School Business Administrator/ Board Secretary	100,000.00	1,000.00
	Comprehensive General Liability		
NJSBAIG	Bodily Injury and Property Damage (Combined Single Limit for Bodily Injury & Property Damage)	11,000,000.00	
	Bodily Injury from Products and Completed Operations	11,000,000.00	
	Sexual Abuse (per occurrence)	11,000,000.00	
	Personal Injury and Advertising Injury (per occurrence)	17,000,000.00	
	Employee Benefits Liability (per claim/annual aggregate)	11,000,000.00	
	Employee Benefits Liability Deductible (each claim)	1,000.00	
	Premises Medical Payments (each accident)	10,000.00	100.00
	Terrorism (per occurrence/annual NJSBAIG aggregate any one accident)	1,000.00	
	annual pool aggregate	1,000,000.00	

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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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

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

We have audited the basic financial statements of the Board of Education of the City of Wildwood School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated October 23, 2009. 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 as 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 City of Wildwood 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 City of Wildwood Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Wildwood Board of Education's internal control over financial reporting.

Our consideration of 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 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 identified as 09-8 described in the accompanying schedule of findings and questioned costs 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. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of 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. In addition, we noted certain other instances of noncompliance that we have reported to the City of Wildwood Board of Education School District in a separate *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance*, dated October 23, 2009.

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



Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

October 23, 2009



FORD - SCOTT

& ASSOCIATES, L.L.C.

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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 Wildwood School District
County of Cape May, New Jersey

Compliance

We have audited the compliance of the Board of Education of the City of Wildwood School District, in the County of Cape May, State of New Jersey, 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 federal and state programs for the fiscal year ended June 30, 2009. The Board of Education of the City of Wildwood School District's major federal and 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 federal and state programs is the responsibility of the Board of Education of the City of Wildwood School District's management. Our responsibility is to express an opinion on the Board of Education of the City of Wildwood School District'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; the 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the City of Wildwood School District'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 Board of Education of the City of Wildwood School District's compliance with those requirements.

As described in items 09-4, 09-5, 09-6 and 09-8 in the accompanying schedule of findings and questioned costs, the City of Wildwood School District did not comply with requirements regarding Reporting, Activities Allowed or Unallowed and Cash Management that are applicable to its Title I Program. Compliance with such requirements is necessary, in our opinion, for the City of Wildwood School District to comply with the requirements applicable to that program.

In our opinion, except for the instance of noncompliance described in the preceding paragraph, the City of Wildwood School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below.

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 federal or 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 federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-7 to be a significant deficiency.

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 federal or state program will not be prevented or detected by the entity's internal control.

The City of Wildwood School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Wildwood School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the management, the Board of Education of the City of Wildwood School District's Board, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities and is not intended to be 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



Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

October 23, 2009

CITY OF WILWOOD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

Federal Grant or Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2008	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2009		Due to Grantor
											(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education													
Passed-Through State Department of Education													
Special Revenue Fund													
Title I, Part A	84 010	NCLB5790-09	9/1/2008	669,257.00	\$	\$	580,398.00	(563,717.65)	30,362.72	\$	(88,869.00)	105,549.35	30,362.72
Title I, Part A Carryover	84 010	NCLB5790-08	9/1/2007	675,448.00	86,286.10	(86,286.10)		(86,286.10)					1,724.10
Title I, Part A	84 010	NCLB5790-06	9/1/2005	810,596.00	1,724.10	66,286.10							6,511.17
Title I, Part A Carryover	84 010	NCLB5790-05	9/1/2004	818,951.00	6,511.17								
Title I, SIA	84 010	NCLB5790-09	9/1/2008	29,773.00	12,189.06	(12,189.06)		(29,531.00)					
Title I, SIA Carryover	84 010	NCLB5790-08	9/1/2007	24,041.00	24,041.00								
Title IIA	84 168	NCLB5790-08	9/1/2008	115,890.00	42,105.92		52,532.00	(12,431.06)	242.00		(63,358.00)	9,214.13	
Title IIA Carryover	84 168	NCLB5790-09	9/1/2007	112,896.00	2,640.30			(106,675.87)					
Title IIA Carryover	84 168	NCLB5790-06	9/1/2005	120,909.00	2,640.30			(42,105.92)					
Title II D	84 168	NCLB5790-05	9/1/2004	123,978.00	3,077.11								
Title II D Carryover	84 168	NCLB5790-08	9/1/2007	5,557.00	4,861.00			(5,557.00)			(5,557.00)	2,640.30	3,077.11
Title II D Carryover	84 168	NCLB5790-07	9/1/2006	4,861.00	2,796.88			(4,861.00)					
Title II D Carryover	84 168	NCLB5790-05	9/1/2004	3,403.00	580.90		20,662.00	(33,458.30)			(13,846.00)	2,796.88	580.90
Title III	84 355A	NCLB5790-08	9/1/2008	28,665.00	352.52								
Title III Carryover	84 355A	NCLB5790-05	9/1/2004	15,536.00	2,608.21								
Title IV - Safe & Drug Free Schools & Community	84 186A	NCLB5790-09	9/1/2008	9,597.00	1,759.00		1,759.00	(9,597.00)			(7,838.00)		
Title IV - Safe & Drug Free Schools & Community, Carryover	84 186A	NCLB5790-08	9/1/2007	14,613.00	10,180.00			(10,180.00)					
Title V - Carryover	84 298	NCLB5790-08	9/1/2007	2,615.00	1,331.20			(1,331.20)					
Title V - Carryover	84 298	NCLB5790-05	9/1/2004	8,875.00	737.00								
ID E.A. Part B	84 027	NCLB5790-05	9/1/2004	252,168.00			164,792.00	(252,168.00)			(87,376.00)		737.00
ID E.A. Part B Carryover	84 027	NCLB5790-08	9/1/2007	248,396.00	11,644.08			(11,644.08)					
ID E.A. Preschool	84 027	NCLB5790-08	9/1/2007	4,886.00			2,389.00	(3,998.00)			(2,487.00)		
ID E.A. Preschool Carryover	84 027	NCLB5790-05	9/1/2004	6,822.00									
Even Start Literacy Program	84 213C	4000347	10/1/2003	224,652.00	1,169.37								
21st Century Community Learning Centers Program	84 287C	NCLB5790-09	9/1/2008	268,490.00			234,463.00	(210,884.56)			(34,027.00)	57,605.44	
21st Century Community Learning Centers Program	84 287C	NCLB5790-08	9/1/2007	268,493.00	(31,196.30)	5,418.43	31,197.00	(9,791.00)	(0.70)	(5,418.43)			
21st Century Community Learning Centers Program	84 287C	NCLB5790-05	9/1/2004	268,493.00	9,791.00								
21st Century Community Learning Centers Program	84 287C	NCLB5790-06	7/1/2005	268,493.00	216.46								
21st Century Community Learning Centers Program	84 287C	NCLB5790-05	9/1/2004	420.18									
NJ Reading First Grant	84 357A	NCLB5790-09	7/1/2008	232,292.00			255,920.00	(304,571.25)			(50,651.25)		
NJ Reading First Grant	84 357A	NCLB5790-08	7/1/2007	346,073.00	(39,757.60)	1,735.66			(0.40)	(1,735.66)			
NJ Reading First Grant	84 357A	NCLB5790-07	7/1/2006	347,736.00	44.82		38,758.00						44.82
NJ Reading First Grant	84 357A	NCLB5790-05	7/1/2004	112,169.90	19.62								19.62
Total Special Revenue Fund					110,550.60	7,154.09	1,381,880.00	(1,688,787.99)	30,603.62	(7,159.60)	(393,334.25)	180,063.81	47,471.16
U.S. Department of Agriculture													
Passed-Through State Department of Education													
Enterprise Fund													
Food Distribution Program	10 550	NCLB5790-09	9/1/2008	32,480.21			32,480.21	(32,480.21)					
National School Lunch Program	10 555	NCLB5790-08	9/1/2007	272,560.66			255,498.92	(272,560.66)			(17,061.74)		
National School Lunch Program	10 555	NCLB5790-05	9/1/2004	295,310.11	(19,045.50)		19,045.50						
School Breakfast Program	10 553	NCLB5790-08	9/1/2007	187,057.20			176,029.93	(186,550.96)			(11,027.27)		506.24
School Breakfast Program	10 553	NCLB5790-05	9/1/2004	186,557.25	(12,104.98)		12,104.98						
After School Snacks Program	10 553	NCLB5790-08	9/1/2007	78,956.44	(4,462.16)		36,313.46	(70,071.32)			(13,693.06)		
After School Snacks Program	10 555	NCLB5790-05	9/1/2004	78,956.44	(35,612.04)		555,989.96	(561,663.15)			(41,782.07)		506.24
Total Enterprise Fund					74,937.96	7,154.09	1,937,879.96	(2,250,461.14)	30,603.62	(7,159.60)	(435,116.32)	180,063.81	47,977.40
Total Federal Financial Awards					\$	\$	\$	\$	\$	\$	\$	\$	\$

CITY OF WILDWOOD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2009

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2008		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2009		Due to Grantor	MEMO	
				Deferred Revenue (Accts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/ Interfund Payable		Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education: Categorical Aid	09-495-034-5120-989	7/1/2008 6/30/2009	\$ 344,127.00	\$ -	\$ -	\$ -	\$ 344,127.00	\$ (344,127.00)	\$ -	\$ -	\$ -	\$ -	\$ 26,818.25	\$ 344,127.00
Personnel Aid	08-495-034-5120-984	7/1/2008 6/30/2009	329,498.10	86,840.41	128,296.22	329,498.10	(80,851.00)	(86,577.26)	263.15	(36,610.90)	36,610.90	494,219.60	6,016.13	490,203.47
Administrative Aid	08-495-034-5120-985	7/1/2008 6/30/2009	4,889.10	128,110.60	(128,296.22)	-	(4,889.10)	185.62	185.62	-	-	-	372,345.26	4,889.10
Security Aid	08-495-034-5120-984	7/1/2008 6/30/2009	231,192.00	9,941.05	-	231,192.00	(231,192.00)	(8,941.05)	-	-	-	-	17,345.26	231,192.00
Reimbursed TPAF Social Security Contributions	09-495-034-5095-002	7/1/2008 6/30/2009	637,812.82	-	-	637,812.82	(637,812.82)	-	-	-	-	-	425,043.11	637,812.82
Total General Fund			637,812.82	6,303,139.82	6,303,139.82	6,303,139.82	(6,303,139.82)	(86,577.26)	263.15	(36,610.90)	36,610.90	494,219.60	425,043.11	6,303,139.82
Special Revenue Fund:														
Demonstrably Effective Program Aid	08-495-034-5064-002	7/1/2007 6/30/2008	427,237.00	86,840.41	128,296.22	329,498.10	(80,851.00)	(86,577.26)	263.15	(36,610.90)	36,610.90	494,219.60	-	-
Personnel Aid	08-495-034-5120-986	7/1/2006 6/30/2009	329,498.10	128,110.60	(128,296.22)	-	(4,889.10)	185.62	185.62	-	-	-	-	-
Administrative Aid	08-495-034-5120-985	7/1/2007 6/30/2008	252,750.00	9,941.05	-	252,750.00	(252,750.00)	(8,941.05)	-	-	-	-	-	-
Targeted At-Risk Aid	08-495-034-5120-985	7/1/2007 6/30/2008	33,045.00	1.51	-	33,045.00	(33,045.00)	(1.51)	-	-	-	-	-	-
Auxiliary Services:														
Compensatory Education	08-100-034-5120-067	7/1/2007 6/30/2008	2,030.00	1,850.00	-	-	-	(1,850.00)	-	-	-	-	-	-
English as a Second Language	08-100-034-5120-067	7/1/2007 6/30/2008	11,191.00	9,522.00	-	-	-	(9,522.00)	-	-	-	-	-	-
Handicapped Services:														
Examination & Classification	09-100-034-5120-066	7/1/2008 6/30/2009	9,671.00	9,522.00	-	-	(4,422.75)	(9,522.00)	-	-	6,768.25	4,422.75	-	4,422.75
Examination & Classification	08-100-034-5120-066	7/1/2007 6/30/2008	7,161.00	4,614.48	-	7,161.00	(7,161.00)	(4,614.48)	-	-	-	-	-	7,161.00
Corrective Speech	08-100-034-5120-066	7/1/2007 6/30/2008	6,510.00	6,510.00	-	6,510.00	(6,510.00)	-	-	-	-	-	-	6,510.00
Corrective Speech	08-100-034-5120-066	7/1/2008 6/30/2009	6,608.00	525.56	-	6,608.00	(6,608.00)	(525.56)	-	-	-	-	-	6,608.00
Supplemental Instruction	08-100-034-5120-066	7/1/2007 6/30/2008	4,130.00	4,130.00	-	4,130.00	(4,130.00)	-	-	-	-	-	-	4,130.00
Supplemental Instruction	08-100-034-5120-066	7/1/2008 6/30/2009	14,282.00	14,282.00	-	14,282.00	(14,282.00)	-	-	-	-	-	-	14,282.00
Technology Initiative	08-100-034-5120-373	7/1/2008 6/30/2009	10,350.00	10,350.00	-	10,350.00	(10,350.00)	-	-	-	-	-	-	10,350.00
Nursing Aid	08-100-034-5120-070	7/1/2008 6/30/2009	383.80	568.35	-	383.80	(568.35)	3,280.01	-	-	-	-	-	3,280.01
Teacher Mentoring Program	08-100-034-5120-074	7/1/2008 6/30/2009	5,000.00	(3,280.01)	-	5,000.00	(10,367.60)	-	-	-	-	-	-	5,000.00
High Schools that Work	05-495-034-5120-862	7/1/2007 6/30/2008	4,000.00	239,067.75	-	419,765.10	(577,705.95)	(109,556.23)	448.77	(36,610.90)	36,610.90	577,705.95	-	-
NJ Character Education Partnership	06-495-034-5120-053	7/1/2005 6/30/2006	4,000.00	-	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Fund			22,058.00	(22,058.00)	(22,058.00)	(22,058.00)	(22,058.00)	(109,556.23)	448.77	(36,610.90)	36,610.90	577,705.95	(22,058.00)	22,058.00
Debt Services Fund:														
Debt Service Aid Type II	09-495-034-5120-125	7/1/2008 6/30/2009	11,161.72	-	-	10,448.80	(11,161.72)	-	-	-	-	-	-	11,161.72
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program	09-100-010-3360-067	7/1/2008 6/30/2009	12,956.38	(834.50)	-	834.50	(13,460.00)	-	-	-	-	-	-	13,460.00
(State Share)	08-100-010-3360-067	7/1/2007 6/30/2008	14,508.50	(844.00)	-	944.00	(24,621.72)	-	-	-	-	-	-	14,508.50
National School Lunch Program	09-100-010-3360-066	7/1/2008 6/30/2009	13,460.00	(883.90)	-	12,576.10	(13,460.00)	-	-	-	-	-	-	13,460.00
(State Share)	08-100-010-3360-066	7/1/2007 6/30/2008	14,508.50	(844.00)	-	944.00	(24,621.72)	-	-	-	-	-	-	14,508.50
National School Breakfast Program	09-100-010-3360-096	7/1/2008 6/30/2009	24,621.72	(1,596.82)	-	24,621.72	(24,621.72)	-	-	-	-	-	-	24,621.72
(State Share)	08-100-010-3360-096	7/1/2007 6/30/2008	24,621.72	(1,596.82)	-	24,621.72	(24,621.72)	-	-	-	-	-	-	24,621.72
Total Enterprise Fund			6,769,766.32	(6,927,525.49)	(6,927,525.49)	6,769,766.32	(6,927,525.49)	(109,556.23)	448.77	(38,207.72)	7,732.80	461,654.01	(6,927,525.49)	6,927,525.49
Total State Financial Assistance			\$ 6,769,766.32	\$ (6,927,525.49)	\$ (6,927,525.49)	\$ 6,769,766.32	\$ (6,927,525.49)	\$ (109,556.23)	\$ 448.77	\$ (38,207.72)	\$ 7,732.80	\$ 461,654.01	\$ (6,927,525.49)	\$ 6,927,525.49

CITY OF WILDWOOD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards
And Financial Assistance
For the Year Ended June 30, 2009

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements. The information on these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local governments, and Non-Profit Organizations*. Therefore, some amounts presented on these schedules may differ from amounts presented in, or used in the presentation 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 GAAP reporting, revenue is not recognized until the subsequent year or when the 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 (\$240,868.84) for the general fund and \$178,660.42 for the Special Revenue Fund. See the Notes to 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 on the following page:

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$	\$ 6,638,116.98	\$ (573,973.00)	\$ 6,064,143.98
Special Revenue Fund	1,784,194.82	662,914.88		2,447,109.70
Debt Service Fund		22,058.00		22,058.00
Food Service Fund	<u>570,518.27</u>	<u>24,621.72</u>		<u>595,139.99</u>
	<u>\$ 2,354,713.09</u>	<u>\$ 7,347,711.58</u>	<u>\$ (573,973.00)</u>	<u>\$ 9,128,451.67</u>

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.

CITY OF WILDWOOD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards
And Financial Assistance
For the Year Ended June 30, 2009
(Continued)

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. 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, 2009. 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, 2009.

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. The following adjustments were made to the federal and state grant schedules.

Federal: (Schedule A)	
Title I, Part A	\$ 30,362.72 (1)
Title I, SIA	242.00 (1)
NJ Reading First	(0.40) (4)
21st Century Community Learning	(0.70) (4)

Total Federal	\$ <u>30,603.62</u>
State: (Schedule B)	
Demonstrably Effective Program Aid	\$ (86,577.26) (4)
Early Childhood Program Aid	185.62 (1)
Targeted At-Risk Aid	(9,941.05) (4)
Compensatory Ed	(1.51) (2)
English as a Second Language	(1,850.00) (2)
Examination & Classification	(9,522.00) (2)
Corrective Speech	(4,614.48) (2)
Supplemental Instruction	(525.56) (2)
High Schools that Work	3,290.01 (4)
	\$ (109,556.23)

- (1) Prior year accounts payable canceled
- (2) State Refund
- (3) Prior year accounts receivable canceled
- (4) Reimburse General Fund

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? Yes X No
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Non-compliance material to basic financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified: Yes X No
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Qualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch
84.010	Title I
84.357A	NJ Reading First Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

Section I - Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

Type of auditor's report issued on compliance for major programs: Qualified Opinion

Internal Control over major programs:

1) Material weakness(es) identified? Yes X No

2) Significant Deficiencies identified that are not considered to be material weaknesses? X Yes none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? X Yes No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5095-002	Reimbursed TPAF Social Security Contr.
495-034-5120-086	Preschool Education Aid

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

Section II – Federal Awards and State Financial Assistance Statement Findings and Questioned Costs

FEDERAL AWARDS**Finding 09-4:**

The Title I Budget in the Electronic Web Enabled Grant System (EWEG) was not amended to reflect FY07 and FY08 carryover funds.

Information on Program:

Title I-CFDA No. 84.010

Criteria:

Carryover Funds from the prior year should be properly budgeted for in the current year.

Condition:

Budget amendments for Title I carryover were never completed.

Questioned Costs:

Questioned costs could not be quantified for this finding.

Context:

The District did not comply with Title I grant provisions.

Effect:

The Title I grant budget was not properly amended to reflect expenditure activity.

Cause:

The District was unaware that it should amend for carryover.

Recommendation:

The EWEG budget must be amended to reflect Title I carryover funds.

Planned Corrective Action:

A corrective action plan will be filed by the district to address this audit finding.

Finding 09-5:

\$137,646.33 of FY07 Title I carryover expenditures were not reported to the Department of Education with the FY08 Final Expenditure Report.

Information on Program:

Title I-CFDA No. 84.010

Criteria:

All expenditures of Title I funds must be reported to the Department of Education.

Condition:

Expenditures of FY07 carryover funds were not reported to the Department of Education on the FY08 Final Report.

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

Section II – Federal Awards and State Financial Assistance Statement Findings and Questioned Costs (Continued)

FEDERAL AWARDS - Continued

Questioned Costs:

Questioned costs for this finding are \$137,646.33

Context:

The District did not comply with Title I grant provisions.

Effect:

The Final Report submitted to the Department of Education did not accurately reflect Title I expenditures for FY08.

Cause:

The District was unaware that it should amend for carryover.

Recommendation:

All carryover funds expended must be included in the Final Report submitted to the Department of Education.

Planned Corrective Action:

A corrective action plan will be filed by the district to address this audit finding.

Finding 09-6:

\$50,066.99 in salaries were charged to Title I for employees who were not approved by the Board to be charged to the Title I program.

Information on Program:

Title I-CFDA No. 84.010

Criteria:

All salaries charged to the Title I grant should be approved by the Board of Education in the Minutes.

Condition:

Three employees' salaries were charged to the Title I salaries and wages for staff that had not been approved by the Board to be charged to the grant.

Questioned Costs:

Questioned costs for this finding are \$50,066.99.

Context:

The District did not comply with Title I grant provisions.

Effect:

Unapproved salaries and wages were being charged to the grant program.

Cause:

Apparent oversight by the District.

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

Section II – Federal Awards and State Financial Assistance Statement Findings and Questioned Costs (Continued)

FEDERAL AWARDS - Continued

Recommendation:

All salaries and wages charged to Title I funds should be approved by the Board.

Planned Corrective Action:

A corrective action plan will be filed by the district to address this audit finding.

Finding 09-8:

Due to Grantor balances were not promptly turned over for Title I, Title IIA, Title IID, Title III, Title V, NJ Reading First, Even Start Literacy and 21st Century Reading.

Information on Program:

Title I-CFDA 84.010

Title IIA-CFDA 84.168

Title IID-CFDA 84.168

Title III-CFDA 84.365A

Title V-CFDA 84.298

NJ Reading First-CFDA 84.357A

Even Start Literacy-CFDA 84.213C

21st Century Reading-CFDA 84.287C

Criteria:

Prior unexpended grant balances are required to be returned to the grantor in a timely manner.

Condition:

The District's financial statements and Schedule A and B reflect money owed back to grantors that has not been remitted.

Questioned Costs:

The amounts owed are reflected in Schedules A and B in the CAFR.

Context:

All past due amounts pertain to FY04, FY05, FY06 and FY07 grants.

Effect:

District did not comply with grant agreement requiring identification and return of unused funds.

Cause:

Cause is not known.

Recommendation:

Due to Grantor balances must be returned immediately with submission of the final grant expenditures.

Planned Corrective Action:

A corrective action plan will be filed by the district to address this audit finding.

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

Section II – Federal Awards and State Financial Assistance Statement Findings and Questioned Costs (Continued)

FEDERAL AWARDS - Continued

Finding 09-9:

Reimbursement claims for After-School Snacks did not agree to the meal count activity resulting in a net under-claim of 12,472 snacks.

Information on Program:

After School Snacks Program-CFDA 10.555

Criteria:

Submissions for Federal Reimbursements should be calculated each month based on meal count activity.

Condition:

Snacks were under-claimed in May 2009 by 12,472 resulting in an \$8,855.12 accounts receivable due from the Federal Government.

Questioned Costs:

The questioned costs for this finding are \$8,855.12

Context:

Audit adjustments were required to properly reflect Food-Service receivables at year-end.

Effect:

The District did not receive \$8,855.12 in reimbursements due for Snacks.

Cause:

The total number of Snacks was miscalculated by the Food Service Director.

Recommendation:

More care be taken to review After-School Snack reimbursement claims.

Planned Corrective Action:

An amended re-submission was filed to correct the under-claim.

STATE AWARDS

Finding 09-7:

The District charged expenditures to Demonstrably Effective Program Aid (DEPA) and Targeted At-Risk Aid (TARA) during 2008-09 against Department of Education Guidelines.

Program Information:

Demonstrably Effective Program Aid-08-495-034-5064-002

Targeted At-Risk Aid-08-495-034-5120-005

Criteria:

Effective June 30, 2008, TARA and DEPA funds could no longer be expended in the Special Revenue Fund. These funds were required to be budgeted in the General Fund.

Condition:

The District's accounting records reflected \$96,781.46 of expenditures against prior year DEPA and TARA funds.

**CITY OF WILDWOOD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)**

Section II – Federal Awards and State Financial Assistance Statement Findings and Questioned Costs (Continued)

STATE AWARDS - Continued

Context:

Audit adjustments were required to properly reflect these expenditures in the General Fund for FY09.

Effect:

The Department of Education guidelines were not followed.

Cause:

The District was unaware of this requirement.

Recommendation:

DEPA and TARA carryover funds must be budgeted as unrestricted state revenues in the General Fund.

Planned Corrective Action:

A corrective action plan will be filed by the district to address this audit finding.

Finding 09-8:

Due to Grantor balances were not promptly turned over for Teacher Mentoring and NJ Character Ed grants.

Information on Program:

Teacher Mentoring
NJ Character Ed

Criteria:

Prior unexpended grant balances are required to be returned to the grantor in a timely manner.

Condition:

The District's financial statements and Schedule A and B reflect money owed back to grantors that has not been remitted.

Questioned Costs:

The amounts owed are reflected in Schedules A and B in the CAFR.

Context:

All past due amounts pertain to FY06 grants.

Effect:

District did not comply with grant agreement requiring identification and return of unused funds.

Cause:

Cause is not known.

Recommendation:

Due to Grantor balances must be returned immediately with submission of the final grant expenditures.

Planned Corrective Action:

A corrective action plan will be filed by the district to address this audit finding.

**CITY OF WILDWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

STATUS OF PRIOR-YEAR FINDINGS:**Federal and State Awards:****FEDERAL AWARDS**

Title I – CFDA No. 84.010

Reading First NJ – CFDA No. 84.357A

Other Non-major federal programs

Finding 08-3 and 08-5:

Prior Due to Grantor balances were not returned/disposed of in accordance with the grant agreements for Title I, Title IIA, Title IID, Title III and Title V, Even Start Literacy Program, 21st Century Community Learning Center, NJ Reading First.

Information on Program:

Programs listed for grant periods identified in Schedules A and B

Criteria:

Prior unexpended grant balances are required by be returned to the grantor in a timely manner.

Condition:

The District's financial statements and Schedules A and B reflect money owed back to grantors that has not been remitted.

Questioned Costs:

The amounts owed are reflected in Schedules A and B in the CAFR.

Context:

All past due amounts pertain to FY 04, FY 05 and FY 06 grants.

Effect:

District did not comply with grant agreement requiring identification and return of unused funds.

Cause:

Cause is not known.

Recommendation:

Due to Grantor balances must be returned immediately with submission of the final grant expenditures reports.

Status of Findings:

Corrective Action has not been taken.

**CITY OF WILDWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

FEDERAL AWARDS - Continued

Reading First NJ – CFDA No. 84.357A

Finding 08-7:

The District refunded \$9,791 more to the Department of Education than was necessary for disallowed costs related to the Reading First NJ Grant.

Information on Program:

Reading First NJ – CFDA No. 84.357A

Criteria:

Refunds must be made to grantors in a timely manner for unexpended grant balances and disallowed costs.

Condition:

District refunded \$9,791 in disallowed program costs for reading First NJ Grant from FY 07 prior to final disbursement of funds by grantor who also adjusted for disallowed costs.

Questioned Costs:

\$9,791 is owed from the NJ Department of Education who oversees this federal program.

Context:

This was the only instance of a grant reimbursement made for the incorrect amount.

Effect:

District is owed money from the NJ Department of Education.

Cause:

Outlined under Condition above.

Recommendation:

The District should recoup excess funds refunded to the Department of Education for the Reading First NJ Grant.

Status of Findings:

Corrective Action has been taken.

STATE AWARDS

Finding 08-8:

The District expended \$132,700 to renovate the Home Economics room during the school year and did not properly advertise for competitive bids in accordance with School Contracts Law.

Information on Program:

State Aid – Public – Various Accounts Numbers

Criteria:

Payments, contracts or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds are required to be advertised for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, amended.

**CITY OF WILDWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

STATE AWARDS - Continued**Condition:**

The District did not properly advertise for competitive bids.

Questioned Costs:

The questioned costs related to this finding are \$132,700.

Context:

This was the only instance of noncompliance with School Contracts Law noted during the audit.

Effect:

District did not comply with statutes and improperly awarded a contract without competitive bidding.

Cause:

There was miscommunication between Architect and District Officials.

Recommendation:

Internal controls be improved to ensure all payments made in excess of the statutory thresholds be advertised for competitive bids.

Status of Findings:

A Corrective Action has been taken.

Finding 08-6:

Budget adjustments and expenditures were not recorded properly in the accounting records for the following grants.

Information on Program:

Early Childhood Program Aid – 08-495-034-5120-025

Demonstrably Effective Program Aid – 08-495-034-5064-002

Targeted At-Risk Aid – 08-495-034-5120-005

Criteria:

The final budget recorded in the accounting records including sub-accounts by school must agree to the final web based budget and expenditure reports.

Condition:

Grant sub-accounts by school had some over-expended line items. Proper budget adjustments to reflect final grant allotments were not made.

Questioned Costs:

No questioned costs related to this finding.

Context:

The district's accounting records were not adjusted to reflect final grant allotments for most grants.

Effect:

District grant accounting records and sub-accounts did not reflect final budget activity.

Cause:

Final adjustments not made to accounting records.

**CITY OF WILDWOOD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

STATE AWARDS - Continued

Recommendation:

The final grant budget amounts and line items entered into and charged in the district's accounting system must agree with final approved program budgets.

Status of Findings:

Corrective Action has been taken.